

November 10, 2015

Brad,

As requested, attached for review by you, the Director, and the Governor's office are Executive Division's records in response to attached FOIA request #6877-15 from Hugh Madden, Progress Michigan.

Liane Shekter Smith will also be reviewing these records to ensure that nothing needs to be redacted or exempted before they are released.

Thanks.

Karen Shaler

## DEQ FOIA COST WORKSHEET

☐ Check if this is a Cost Estimate

☒ Check if Final (Actual) Cost

Date of Spreadsheet	11/10/2015
Division/Office	Executive Division
Section/District Name	N/A
FOIA Contact Name	Karen Shaler
FOIA Requester Name	Hugh Madden/Progress Michigan
FOIA Tracking Number	6877-15
<b>Technical Staff Time*</b>	
Hours	3.5
Cost per hour: \$27.50	\$ 27.50
Total Technical staff time cost	\$ 96.25
<b>Administrative Staff Time*</b>	
Hours	1
Cost per hour: \$22.80	\$ 22.80
Total Administrative staff time cost	\$ 22.80
<b>Copying Costs</b>	
Number of Compact Discs	
Cost per Compact Disc	\$ -
Number of Staff Generated Images	
Cost per image	
Total Cost Staff Generated Images	
Number of Requestor Generated Images	
Cost per image	
Total Cost Requester Generated Images	
Total In-House Image Costs	
Rapid Copy Estimate Provided (actual)	
Contractor Copy Estimate Provided (actual)	
Total Outside Image Costs	\$ -
<b>Mailing Costs</b>	
Directly quoted/actual Mailing Costs	
Images per ream of paper	1000
Number of Sheets	
Estimated Shipping Weight (lbs)	
Recipient's ZIP Code prefix	
Postal Zone relative to Lansing	
Total postage cost	
<b>Cost Summary</b>	
Total Technical staff time cost	\$ 96.25
Total Administrative staff time cost	\$ 22.80
Total In-House Image Costs	
Outside Image Costs	\$ -
Less Waiver for indigent persons: \$20.00**	
Total postage cost	
<b>Total Cost (rounded to nearest dollar)</b>	<b>\$ 119.00</b>

Program/PCA	Executive Division/10400
Index	17100
Ag Object	8857

Green Cells: Required Fields

Blue Cells: Enter data or 0

Yellow Cells: Enter data or Leave Blank if No Data

[Leave Blank if there is no Quote]

Assumes double-sided copying

500 sheets equals 5 pounds

First three digits only

\*Includes 50% fringe benefits multiplier

\*\*Waiver must be approved by FOIA Coordinator

Appeal this decision in writing to the Chief of the Office of Environmental Assistance, Department of Environmental Quality, P.O. Box 30457, Lansing, Michigan 48909-7957. The writing must specifically state "fee appeal," and must identify how the estimated fee exceeds the amount permitted under the FOIA.

The Chief of the Office of Environmental Assistance must respond to your fee appeal within 10 business days of its receipt. Under unusual circumstances, the time for response to your fee appeal may be extended by 10 business days.



\*ADDITIONAL INFO

**Woosley, Rosemary (DEQ)**

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**From:** Hugh Madden <hugh@progressmichigan.org>  
**Sent:** Monday, October 26, 2015 4:16 PM  
**To:** DEQFOIA  
**Subject:** Clarification of FOIA Request

To clarify/amend my FOIA request dated September 30, 2015:

I am looking for emails pertaining to violations of the Safe Drinking Water Act by the City of Flint from the beginning of the switch from the Detroit Water system to the Flint River as the main source of drinking water. In addition, I am seeking emails regarding the need for adequate corrosion control within the Flint water system.

This request includes all communications with Emergency Managers, Flint officials, the office of the Governor, the Department of Treasury and any other emails that pertain to the requested information.

--

Hugh Madden  
Communications Director  
Progress Michigan



# PROGRESS MICHIGAN

POWERING PROGRESS TOGETHER

Hugh Madden  
215 S. Washington Square, Suite 100  
Lansing, MI 48933

September 30, 2015

FOIA Coordinator  
Department of Environmental Quality  
P.O. Box 30457  
Lansing, MI 48909-7957

Via email: [deqfoia@michigan.gov](mailto:deqfoia@michigan.gov)

10 DAY EXT.  
ISSUED

FEE WAIVER DENIED  
RW

6877-15  
EXEC-RMD  
Lansing  
DUE: 10-22-15

Pursuant to Michigan Freedom of Information Act § 15.231 et seq., on behalf of Progress Michigan, I am requesting electronic copies of all emails from January 1, 2013 through the present date, sent to or received between the Michigan Department of Environmental Quality and the Office of the Governor regarding water service for the City of Flint. This request includes emails sent or received by Emergency Managers as well as all city officials and employees. This request also includes emails sent or received using the private email accounts of any of the requested individuals or organizations.

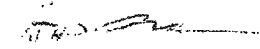
Please include any attachments that were a part of these emails such as word documents, or PDFs or other types of documents. Please also include copies of emails in which any of the above were simply "cc-ed" or "bcc-ed".

If there are any fees for searching or copying these records, please inform me if the cost will exceed \$50.00. However, I would also like to request a waiver of all fees in that the disclosure of the requested information is in the public interest and the request is limited in scope.

If you deny any or this entire request, please cite each specific exemption you feel justifies the refusal to release the information and notify me of the appeal procedures available to me under the law.

When responding to this request, please do so in an electronic format, via email, at [hugh@progressmichigan.org](mailto:hugh@progressmichigan.org).

Sincerely,

  
Hugh Madden, Progress Michigan

(517) 999-3646



## **Tommasulo, Karen (DEQ)**

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**From:** Tommasulo, Karen (DEQ)  
**Sent:** Monday, January 26, 2015 2:47 PM  
**To:** Busch, Stephen (DEQ)  
**Subject:** RE: interview for article on Flint drinking water

Thanks!

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**From:** Busch, Stephen (DEQ)  
**Sent:** Monday, January 26, 2015 1:59 PM  
**To:** Tommasulo, Karen (DEQ)  
**Subject:** Re: interview for article on Flint drinking water

No that was it. I called her back to direct her to the governor office but responded to all questions by email.

She will let me know if she has any follow up

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

Sent from my iPhone

On Jan 26, 2015, at 1:51 PM, Tommasulo, Karen (DEQ) <[TommasuloK@michigan.gov](mailto:TommasuloK@michigan.gov)> wrote:

Have you had other contact with Chastity? Answered questions over the phone or talked with her at the public meeting or anything?

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**From:** Busch, Stephen (DEQ)  
**Sent:** Monday, January 26, 2015 1:09 PM  
**To:** Wurfel, Brad (DEQ); Shekter Smith, Liane (DEQ); Benzie, Richard (DEQ); Prysby, Mike (DEQ); Datema, Maggie (DEQ); Tommasulo, Karen (DEQ)  
**Subject:** FW: interview for article on Flint drinking water

FYI. Bridge Magazine request for information. See below. Note Letter to Governor office deferred to Governor's Office at this time.

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

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**From:** Busch, Stephen (DEQ)  
**Sent:** Monday, January 26, 2015 1:07 PM  
**To:** 'Chastity Pratt'  
**Subject:** RE: interview for article on Flint drinking water

Ms. Pratt Please see responses to your questions below.

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

**From:** Chastity Pratt [<mailto:cpratt@bridgemi.com>]  
**Sent:** Monday, January 26, 2015 11:35 AM  
**To:** Busch, Stephen (DEQ)  
**Subject:** interview for article on Flint drinking water

Hi,

I am a reporter for Bridge Magazine working on a deadline story about Flint's drinking water. My story will focus on state involvement and state policy.

My major questions:

1. Several agencies and officials are involved - can you clarify DEQ's role in the Flint water situation?

The City of Flint water system is one of over 1400 Community Water Systems in Michigan regulated under the Michigan Safe Drinking Water Act (1976 Public Act 399, as amended), which incorporates requirements of the federal Safe Drinking Water Act. The DEQ Office of Drinking Water and Municipal Assistance has been given authority for oversight of these regulations. DEQ regulatory oversight is mainly conducted through inspections, review of monitoring information (this includes sample results and operations data), issuance of construction permits for water systems, and planning (reliability, emergency response, capital improvement, operation and maintenance, etc.) As both community water systems and the DEQ desire the mutual goal of safe water, the DEQ works proactively in partnership with water systems to provide compliance assistance. This also includes activities such as source water protection and infrastructure funding.

2. What is the DEQ's response to the mayor's request for assistance?

As indicated by phone this letter was directed to the Governor's Office and should be followed up with that office for response at this point in time.

3. What on-going testing is DEQ doing with Flint water and how often?

The City is required to follow all state and federal monitoring requirements under Act 399. This includes sample analysis of over 90 contaminants with health based drinking water standards along with monitoring of its source, treatment, and distribution operations. Sample analysis frequency is based on the specific contaminant type, its level of detection if any, and its potential variability.

In regards to total coliform and e.coli bacteria compliance monitoring, the City is required to analyze at least 100 samples each monthly compliance period from its distribution system.

In regards to Total Trihalomethane (TTHM) compliance monitoring, the City is required to collect quarterly samples from 8 locations in its distribution system. The TTHM standard is based on a Running Annual Average for each of the 8 locations, rather than individual sample results. The location and

timing of these samples is based on worst case conditions in the water system to identify the highest level of long term exposure.

4. So far, how many drinking water violations have occurred in Flint since the switch to Flint River water and what sanctions - if any - does the city face?

The City has had the following Maximum Contaminant Level (MCL) standard violations:

E.Coli Acute bacteria MCL violation, August 2014

Total Coliform bacteria MCL violation, September 2014

TTHM locational running annual average MCL violation, October-December quarter (2 of 8 sites)

There are generally two requirements in regards to the violations: Public Notification and corrective action

Public Notice for acute health threats like the e.coli MCL must be made within 24 hours of the violation.

Public Notice for non-acute health threats such as total coliform bacteria and TTHM must be made within 30 days of the violation.

Corrective action regarding bacteria detections generally involves taking steps to disinfect and repair the affected areas and sampling to obtain confirmation the bacteria source is has been addressed.

The City has remained in compliance with this standard for each of the monthly monitoring periods since September, including thus far in January

Corrective action for TTHM involves taking steps to reduce the amount of TTHM so that they are below the standard. The City is required to complete an Operational Evaluation report within 90 days of the violation. This report includes examination of treatment and distribution operational practices (source water quality, treatment changes, storage tank operations, excess storage capacity, distribution system flushing, treatment problems that contribute to TTHM formation. The City proactively completed an Operational Evaluation following sample results from August 2014, and is now completing another operational evaluation further evaluated based on information from the November monitoring. November monitoring showed individual sample results now below the standard at 7 of 8 locations. However, as noted compliance is determined based on a running annual average at each location.

5. What does DEQ tell Flint residents who call DEQ with concerns about discolored water?

Callers indicating discoloration or other aesthetic water quality issues are directed to contact the Flint DPW to allow the DPW staff to investigate the situation. Generally color, odor and taste are aesthetic water quality issues not related to any health based standards including total coliform bacteria, e.coli bacteria, and TTHM.

Treated water is monitored for color at the Water Treatment Plant as part of its operation, and has not been abnormal. The City of Flint has over 500 miles of distribution piping and conditions in some isolated sections of water main piping or private premise plumbing may cause changes to aesthetic conditions such as color, taste, or odor.

Those are my major questions. Could you please give me a call today?

--

Chastity Pratt Dawsey

Reporter

Bridge Magazine/The Center for Michigan

28 W. Adams Suite 330, Detroit, MI 48226

[www.bridgemi.com](http://www.bridgemi.com)

C: 313-310-7867

## Tommasulo, Karen (DEQ)

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**From:** Tommasulo, Karen (DEQ)  
**Sent:** Tuesday, July 07, 2015 10:29 AM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Call from ACLU reporter about Flint

I got a weird call from a "reporter" with the ACLU asking about Flint drinking water. His name is Curt Guyette, and I'm 98 percent sure it's the same guy who used to work at the Metro Times.

He said he heard from someone at EPA that we use a "flawed methodology" to collect our water samples. We apparently tell people to flush the water from their pipes, let it sit overnight, and then take the sample in the morning. He claims this doesn't measure what's in the main pipes, only in the pipes leading directly to their house. Consequently, he claims, we vastly underestimate lead. Apparently the EPA and Virginia Tech sampled a house using a different methodology and found 13,000 ppb lead.

Additionally, he claimed Flint is not adding corrosion control to their water, and said a city of their size should be doing so by law. But apparently we told Flint they didn't have to.

I didn't offer any comment, just took the message from him. Do you want to talk to him, or does this one need to go to Liane's shop? He's hoping to get ahold of someone today.

[REDACTED]

Karen Tommasulo  
Public Information Officer  
Michigan Department of Environmental Quality  
517-284-6716 | 517-599-5733  
[tommasulok@michigan.gov](mailto:tommasulok@michigan.gov)

## Tommasulo, Karen (DEQ)

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**From:** Pallone, Maggie (DEQ)  
**Sent:** Friday, October 02, 2015 1:20 PM  
**To:** Wurfel, Sara (GOV)  
**Cc:** Wyant, Dan (DEQ); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ)  
**Subject:** Re: Follow-up questions

The answers are below.

On Oct 2, 2015, at 12:31 PM, Wurfel, Sara (GOV) <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)> wrote:

Sent from my iPhone

Begin forwarded message:

**From:** "Kaffer, Nancy" <[nkaffer@freepress.com](mailto:nkaffer@freepress.com)>  
**Date:** October 2, 2015 at 12:05:53 PM EDT  
**To:** "Wurfel, Sara (GOV)" <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)>  
**Subject:** Follow-up questions

- Reviewing my notes, I'm not sure I got a definitive answer from Wyant about corrosion control at the Flint water treatment plant. Was corrosion control in use? I'd like a simple yes or no, here – if no, obviously, why not – if yes, what was it, and why was – if any – what sounds like a lesser degree of corrosion control being used? I would like the names of the specific technologies/chemicals that were in use in the past, if in fact corrosion control was being used at the Flint plant, and the specific technologies that will be used going forward.

The plant was using a lime as a means of minimizing corrosion, which is an recognized corrosion control treatment by EPA. The two consequent monitoring results from December 2014 and June 2015 while meeting the action level were deemed optimal and were in fact increasing. As such the State sent s letter in August to require further optimization. We understand the City is going to use orthophosphate to fully optimize its system and that will happen this month.

- Was the MDEQ unaware that there were aging lead service lines in Flint, and that those would increase the lead risk? Were the Flint water treatment folks? Why was this not taken into account in developing the water treatment count?

The DEQ and City were aware that Flint, and many other older communities, has lead service lines. It was the City's decision to use lime as its first treatment option and to monitor to see its effectiveness. In some communities this treatment has been effective corrosion control.

- Wyant said that "two consecutive back to back tests" showed there was a problem; when were those tests performed and when were the results available?



Those test were performed in the six months leading up to Dec. 2014 and again June 2015. The results were made available to the residents that were tested, the City, and all testing results will soon be made available on the Flint water website the state has created. They overall results have always been available in the City's compliance documents.

Obviously I would like to use this information in a piece we'll have ready to go at 1:30p so ASAP would be great.

---

Nancy Kaffer  
Columnist  
Detroit Free Press  
[www.freep.com/abettermichigan](http://www.freep.com/abettermichigan)  
313-222-6585  
@nancykaffer, @abettermi

## Wurfel, Brad (DEQ)

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**From:** Hollins, Harvey (GOV)  
**Sent:** Thursday, September 03, 2015 1:32 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Fwd: PRESS RELEASE: MDEQ Testing of City of Flint Water Shows TTHM Levels are Well Below the Required Action Level, City No Longer in Violation  
**Attachments:** Water Quality Update 9.2015.pdf; ATT00001.htm

Best,  
Harvey Hollins III, Director  
Governor's Office of Urban Initiatives

313.456.4994 (office)  
[REDACTED] (Cell)

Begin forwarded message:

**From:** Jason Lorenz <jlorenz@cityofflint.com>  
**Date:** September 3, 2015 at 11:27:06 AM EDT  
**To:** undisclosed-recipients;;  
**Subject:** PRESS RELEASE: MDEQ Testing of City of Flint Water Shows TTHM Levels are Well Below the Required Action Level, City No Longer in Violation

**For Immediate Release**

### **MDEQ Testing of City of Flint Water Shows TTHM Levels are Well Below the Required Action Level, City No Longer in Violation**

*Flint, Michigan – September 3, 2015* – The City of Flint has made significant improvements to its water treatment process and distribution system. Annual average results show all locations are within acceptable limits for total trihalomethanes (TTHM) and work continues to ensure that the average stays below the acceptable level. Flint's TTHM levels have now been below the actionable level for four consecutive quarters, long enough to bring the City out of violation with the Safe Water Drinking Act.

Installation of the Granulated Activated Carbon filter mediums in July has had a significant impact on the reduction of total organic carbon (TOC) and is expected to continue to do so. TOC contact with chlorine can lead to the creation of the chemical byproduct trihalomethanes. By reducing the amount of TOC in the treated water, the amount of TTHM in the water fell as a direct result.

“The City of Flint is continuing to improve its water system including both the areas of treatment and distribution,” said Mayor Dayne Walling. “As the issue of trihalomethanes comes under control and the City is no longer in violation of safety standards, it will work with the MDEQ on implementing water optimization measures to reduce the corrosive effects of water on older pipes and home service lines.” Older pipes and service lines can contain lead solder which can leach into the water over time.

Flint has been looking at the water optimization option for some time and is now looking at taking accelerated steps toward implementation. According to the MDEQ, a typical water optimization plan can take up to five years to complete, as in the case of the Detroit Water and Sewerage Department. The City of Flint plans to have its water optimization measures in place by the beginning of 2016. This measure, combined with the ongoing improvements to the distribution system wherever possible, will improve water quality and extend the performance of the City’s aging infrastructure.

“The City of Flint has been in constant communication with the MDEQ in our continuing efforts to upgrade and improve our water system,” said Director of Public Works Howard Croft. “We have received assurances from them that every step we have taken has been in line with their recommended actions. The City will continue to work to ensure safe, quality water to its residents, businesses and visitors.”

The City of Flint will continue to provide updates on its water progress through its website, [cityofflint.com](http://cityofflint.com). Anyone with water issues is encouraged to call 810-766-7202 so that they can be addressed. Residents wishing to receive a free and independent in-home water test can call 810-787-6537 or email [flintwater@cityofflint.com](mailto:flintwater@cityofflint.com).

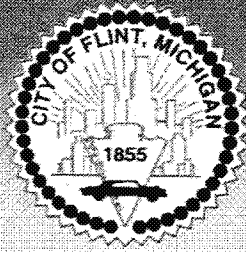
—END—

-Jason Lorenz

Public Information Officer  
City of Flint  
(810) 237-2039 (Office)  
[REDACTED] (Cell)  
[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)



**Dayne Walling**  
Mayor



**Natasha L. Henderson**  
City Administrator

**Jason Lorenz**  
**Public Information Officer**  
**(810) 237-2039**  
**[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)**

**For Immediate Release**

## **MDEQ Testing of City of Flint Water Shows TTHM Levels are Well Below the Required Action Level, City No Longer in Violation**

*Flint, Michigan – September 3, 2015* – The City of Flint has made significant improvements to its water treatment process and distribution system. Annual average results show all locations are within acceptable limits for total trihalomethanes (TTHM) and work continues to ensure that the average stays below the acceptable level. Flint's TTHM levels have now been below the actionable level for four consecutive quarters, long enough to bring the City out of violation with the Safe Water Drinking Act.

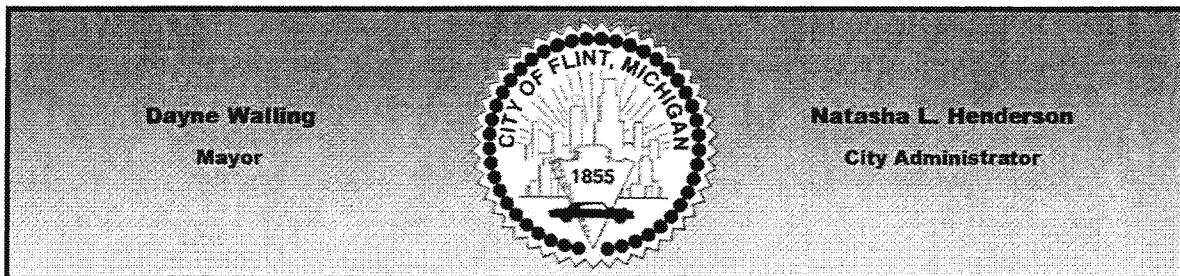
Installation of the Granulated Activated Carbon filter mediums in July has had a significant impact on the reduction of total organic carbon (TOC) and is expected to continue to do so. TOC contact with chlorine can lead to the creation of the chemical byproduct trihalomethanes. By reducing the amount of TOC in the treated water, the amount of TTHM in the water fell as a direct result.

"The City of Flint is continuing to improve its water system including both the areas of treatment and distribution," said Mayor Dayne Walling. "As the issue of trihalomethanes comes under control and the City is no longer in violation of safety standards, it will work with the MDEQ on implementing water optimization measures to reduce the corrosive effects of water on older pipes and home service lines." Older pipes and service lines can contain lead solder which can leach into the water over time.

**–CONTINUE–**

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City Hall  
1101 S. Saginaw Street - Flint, Michigan 48502  
810-766-7346 FAX: 810-766-7218 [www.cityofflint.com](http://www.cityofflint.com)



Flint has been looking at the water optimization option for some time and is now looking at taking accelerated steps toward implementation. According to the MDEQ, a typical water optimization plan can take up to five years to complete, as in the case of the Detroit Water and Sewerage Department. The City of Flint plans to have its water optimization measures in place by the beginning of 2016. This measure, combined with the ongoing improvements to the distribution system wherever possible, will improve water quality and extend the performance of the City's aging infrastructure.

"The City of Flint has been in constant communication with the MDEQ in our continuing efforts to upgrade and improve our water system," said Director of Public Works Howard Croft. "We have received assurances from them that every step we have taken has been in line with their recommended actions. The City will continue to work to ensure safe, quality water to its residents, businesses and visitors."

The City of Flint will continue to provide updates on its water progress through its website, [cityofflint.com](http://cityofflint.com). Anyone with water issues is encouraged to call 810-766-7202 so that they can be addressed. Residents wishing to receive a free and independent in-home water test can call 810-787-6537 or email [flintwater@cityofflint.com](mailto:flintwater@cityofflint.com).

—END—



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING DISTRICT OFFICE



DAN WYANT  
DIRECTOR

September 2, 2015

Mr. Brent Wright, Operations Supervisor  
City Of Flint – Department of Public Works  
Flint Water Plant  
4500 North Dort Highway  
Flint, Michigan 48505

WSSN: 02310

Dear Mr. Wright:

SUBJECT: City of Flint – Water Supply  
Return to Compliance Total Trihalomethanes (TTHM)  
3rd Quarter 2015 Monitoring Period

The Department of Environmental Quality (DEQ), Office of Drinking Water and Municipal Assistance (ODWMA), records show that the City of Flint (City) has returned to compliance with the Michigan Safe Drinking Water Act, 1976 PA 399, as amended (Act 399); R 325.10610, *Maximum contaminant levels for disinfection byproducts (MCLs)*, of the 1979 Administrative Code.

In accordance with Administrative Rule 610 (R 325.10610, *MCLs for disinfection byproducts*), the MCL for the disinfection byproduct TTHM is 0.080 milligrams per liter (mg/L). Compliance is determined based on a Locational Running Annual Average (LRAA) at each monitoring location. As listed in the table below, our records show that the LRAA all eight of the City's TTHM compliance sampling sites now comply with this standard based on the last four quarterly monitoring periods, ending August 31, 2015. This return to compliance regarding TTHM's began on September 1, 2015, and will continue as long as the LRAA at each of the City's TTHM compliance sampling sites remain below this standard.

TTHM Results (mg/L)						
	11/20/14	2/17/15	5/18/15	8/18/15	LRAA	OEL
DBP1 McDonalds 3719 Davison	0.059	0.0162	0.0514	0.0755	0.050	0.055
DBP2 Liquor Palace 3302 South Dort Highway	0.033	0.0168	0.0635	0.0532	0.042	0.047
DBP3 North Flint Auto 6204 North Saginaw St.	0.041	0.0149	0.0452	0.0426	0.036	0.036
DBP4 University Market 2501 Flushing Road	<b>0.094</b>	0.0245	0.0598	0.0706	0.062	0.056
DBP5 Taco Bell 3606 Corunna Road	0.034	0.0151	0.0547	0.0619	0.042	0.049
DBP6 Rite-Aid Pharmacy 5018 Clio Road	0.054	0.0192	0.0605	0.0595	0.048	0.050
DBP7 Salem Housing 3216 MLK Boulevard	0.050	0.0285	0.0727	<b>0.0903</b>	0.060	0.070
DBP8 BP Gas Station 822 South Dort Highway	0.036	0.0199	0.0461	0.0549	0.039	0.044

Corrective measures by the City have been successful in achieving compliance with this standard. These measures have included replacement of anthracite filter media with granular activated carbon as well as the optimization of water treatment plant and distribution system processes and operations as recommended through Operational Evaluations conducted by the City. It is important that the City continue to follow these recommendations in order to limit disinfection byproduct formation and maintain compliance with the MCL LRAA standards. While the MCL LRAA standard has now been met at all eight compliance sampling sites, an individual TTHM concentration above 0.080 mg/L was measured at one location, DBP 7, during peak month sampling in August 2015.

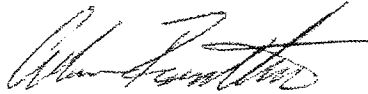
The DEQ encourages the City to continue informing customers about this updated water quality information and compliance with the TTHM MCL standard.

If you have any questions regarding this letter, please contact us at the numbers below; at prysbym@michigan.gov; or rosenthala@michigan.gov.

Sincerely,



Michael F. Prysby, P.E., District Engineer  
Lansing District Office  
Office of Drinking Water and  
Municipal Assistance  
517-290-8817



Adam Rosenthal, Environmental Quality  
Analyst  
Lansing District Office  
Office of Drinking Water and  
Municipal Assistance  
517-284-6644

cc: Ms. Jennifer Crooks, U.S. Environmental Protection Agency, Region 5  
Mr. Robert Bincsik, City of Flint  
Mr. Howard Croft, City of Flint  
Mr. Michael Glasgow, City of Flint  
Genesee County Health Department  
Mr. Stephen Busch, DEQ



**Wurfel, Brad (DEQ)**

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**From:** Busch, Stephen (DEQ)  
**Sent:** Wednesday, September 02, 2015 3:52 PM  
**To:** Howes, Sarah (DEQ); Pallone, Maggie (DEQ); Wurfel, Brad (DEQ)  
**Cc:** Shekter Smith, Liane (DEQ); Benzie, Richard (DEQ); Sygo, Jim (DEQ)  
**Subject:** Flint Drinking Water TTHM return to compliance  
**Attachments:** Flint-TTHM-Compliance.pdf

Attached is a letter being mailed by ODWMA regarding the City of Flint returning to compliance with the drinking water standard for the disinfection byproduct, total trihalomethane. Compliance with the standard has now been achieved at all 8 of the City's compliance monitoring locations based on monitoring in August 2015.

As past compliance issues related to this drinking water standard have been communicated with members of the legislature and those in the media, it may be desirable to distribute this updated information. This information is expected to generate inquiries from water system customers, news media, and the general public.

We will be happy to answer any questions regarding this matter.

Stephen Busch, P.E.  
MDEQ Lansing District Coordinator  
Office of Drinking Water and Municipal Assistance  
Lansing and Jackson District Supervisor  
517-643-2314  
[buschs@michigan.gov](mailto:buschs@michigan.gov)

## Wurfel, Brad (DEQ)

---

**From:** Brown, Jessica (GOV)  
**Sent:** Wednesday, June 10, 2015 3:18 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** RE: Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

Yes, makes more sense. Thanks much!

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, June 10, 2015 3:14 PM  
**To:** Brown, Jessica (GOV)  
**Subject:** RE: Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

The standard they're required to meet is based on the average of the last four quarters of testing. That means several rounds of violation are usually required to trip the standard going in, but it also means that it takes several quarters' worth of clean test results to average it back off. And their results from last ... August, I think, were pretty high.

As noted in the language of the original note, ". It is however, important to note that all individual compliance sample results collected in both May and February were below the 0.080 mg/L levels."

Make more sense?

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**From:** Brown, Jessica (GOV)  
**Sent:** Wednesday, June 10, 2015 1:59 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** RE: Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

Hi Brad,

I know you touched on this below and I read the letter, but I'm missing something here. When you get a minute can you explain how the city gets a violation letter if the water is technically fine? Am I right in my understanding that one testing location was still above .080 mg/L when testing was done in May but as of today, in June, all testing locations meet the requirement and are now under .080 mg/L?

Jess

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Tuesday, June 09, 2015 3:45 PM  
**To:** Brown, Jessica (GOV); Wurfel, Sara (GOV); Murray, David (GOV)  
**Cc:** Smith, Jennifer (DCH); Wheaton, Bob (DHS)  
**Subject:** FW: Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

Heads up, Flint is about to get another one of those letters from us. This is once again about the Total Trihalo Methanes. They remain in violation of the standard. The water is fine, but because the standard is based on the average of four quarterly tests, it takes awhile for the 'violation' status to work its way out of the numbers.

So it may get press, but it's not indicative of actual water quality violation in the present sense.  
b

---

**From:** Busch, Stephen (DEQ)  
**Sent:** Tuesday, June 09, 2015 12:39 PM  
**To:** Howes, Sarah (DEQ); Pallone, Maggie (DEQ); Wurfel, Brad (DEQ)  
**Cc:** Prysby, Mike (DEQ); Benzie, Richard (DEQ); Shekter Smith, Liane (DEQ); Rosenthal, Adam (DEQ); Thelen, Mary Beth (DEQ); Devereaux, Tracy Jo (DEQ)  
**Subject:** Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

Attached is a copy of the Violation Notice and Public Notice Template being mailed to the City of Flint by the DEQ Office of Drinking Water and Municipal Assistance regarding an exceedance of the Maximum Contaminant Level (MCL) standard for Total Trihalomethanes at certain locations within the City's drinking water distribution system.

This violation notice is in response to updated monitoring completed in May 2015, which shows the locational running annual average for one of the City's eight compliance sampling locations continues to exceed MCL standard of 0.080 mg/L. It is however, important to note that all individual compliance sample results collected in both May and February were below the 0.080 mg/L levels.

You are being provided an electronic copy of this notice as exceedance of this drinking water standard is expected to generate inquiries from water system customers, news media, and the general public.

Sarah Howes or Maggie Pallone will be informing members of the Michigan legislature.

If you have any questions or would like any additional information, you may contact Michael Prysby, District Engineer, DEQ-ODWMA at 517-290-8817, or you may contact me at the number below.

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

## Wurfel, Brad (DEQ)

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Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

## **Wurfel, Brad (DEQ)**

---

**From:** Wheaton, Bob (DHS)  
**Sent:** Tuesday, June 09, 2015 3:58 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** RE: Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

Thanks, Brad. Since BCAL is now part of LARA rather than MDHHS, we might want to alert the folks at LARA about this – given the previous misstep of BCAL in issuing an advisory to day cares about Flint water.

I can do that, or you could do that if you'd prefer.

Thanks,  
Bob

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Tuesday, June 09, 2015 3:45 PM  
**To:** Brown, Jessica (GOV); Wurfel, Sara (GOV); Murray, David (GOV)  
**Cc:** Smith, Jennifer (DCH); Wheaton, Bob (DHS)  
**Subject:** FW: Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

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**Cc:** Prysby, Mike (DEQ); Benzie, Richard (DEQ); Shekter Smith, Liane (DEQ); Rosenthal, Adam (DEQ); Thelen, Mary Beth (DEQ); Devereaux, Tracy Jo (DEQ)  
**Subject:** Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015

Attached is a copy of the Violation Notice and Public Notice Template being mailed to the City of Flint by the DEQ Office of Drinking Water and Municipal Assistance regarding an exceedance of the Maximum Contaminant Level (MCL) standard for Total Trihalomethanes at certain locations within the City's drinking water distribution system.

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**Cc:** Prysby, Mike (DEQ); Benzie, Richard (DEQ); Shekter Smith, Liane (DEQ); Rosenthal, Adam (DEQ); Thelen, Mary Beth (DEQ); Devereaux, Tracy Jo (DEQ)  
**Subject:** Flint Drinking Water TTHM Standard Violation - 2nd quarter 2015  
**Attachments:** Flint VN TTHM 6\_9\_15.pdf

Attached is a copy of the Violation Notice and Public Notice Template being mailed to the City of Flint by the DEQ Office of Drinking Water and Municipal Assistance regarding an exceedance of the Maximum Contaminant Level (MCL) standard for Total Trihalomethanes at certain locations within the City's drinking water distribution system.

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Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314



## **Wurfel, Brad (DEQ)**

---

**From:** Busch, Stephen (DEQ)  
**Sent:** Friday, June 05, 2015 2:46 PM  
**To:** Wurfel, Brad (DEQ); Howes, Sarah (DEQ); Shekter Smith, Liane (DEQ)  
**Cc:** Pallone, Maggie (DEQ); Benzie, Richard (DEQ); Prysby, Mike (DEQ); Rosenthal, Adam (DEQ)  
**Subject:** Draft Flint TTHM Violation Notice  
**Attachments:** Flint DBP MCL 2Q15.pdf

Attached is a draft violation notice to the City of Flint regarding the exceedance of the drinking water standard for total trihalomethanes (TTHM) based on the latest round of samples collected in May 2015.

As predicted, the levels from the latest round are all again below the 80 part per billion level, but the annual average calculation for 1 of the 8 sites remains above the maximum contaminant level standard. An evaluation report is not required based on these lower levels but is still being requested given August are when levels historically peak. If levels remain low enough in August the City has the potential to start complying with the standard as the high levels from last year get dropped from the calculation. We could also end up with compliance with the standard but individual results above the 80 part per billion level.

We plan to get the letter out on Tuesday June 9 so please provide any comments/concerns/questions by Monday. An electronic copy of the signed letter will be provided to Maggie/Sarah for forwarding to legislative members in the Flint area as was done with the previous violation notices.

Again, if you have any questions, please contact me directly.

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

## Wurfel, Brad (DEQ)

---

**From:** Howes, Sarah (DEQ)  
**Sent:** Thursday, March 05, 2015 5:12 PM  
**To:** Busch, Stephen (DEQ); Wurfel, Brad (DEQ); Datema, Maggie (DEQ)  
**Cc:** Prysby, Mike (DEQ); Benzie, Richard (DEQ); Shekter Smith, Liane (DEQ); Rosenthal, Adam (DEQ)  
**Subject:** RE: Flint Drinking Water TTHM Standard Violation - 1st quarter 2015

I sent it to Reps Neeley and Phelps and Senator Ananich.

---

**From:** Busch, Stephen (DEQ)  
**Sent:** Thursday, March 05, 2015 1:59 PM  
**To:** Howes, Sarah (DEQ); Wurfel, Brad (DEQ); Datema, Maggie (DEQ)  
**Cc:** Prysby, Mike (DEQ); Benzie, Richard (DEQ); Shekter Smith, Liane (DEQ); Rosenthal, Adam (DEQ)  
**Subject:** Flint Drinking Water TTHM Standard Violation - 1st quarter 2015  
**Importance:** High

Attached is a copy of the Violation Notice and Public Notice Template being mailed to the City of Flint by the DEQ Office of Drinking Water and Municipal Assistance regarding an exceedance of the Maximum Contaminant Level (MCL) standard for Total Trihalomethanes at certain locations within the City's drinking water distribution system.

This violation notice is in response to updated monitoring completed in February 2015, which shows the locational running annual average for two of the City's eight compliance sampling locations continue to exceed MCL standard of 0.080 mg/L. It is however, important to note that all individual compliance sample results collected in February were well below the 0.080 mg/L levels.

You are being provided an electronic copy of this notice as exceedance of this drinking water standard is expected to generate inquiries from water system customers, news media, and the general public.

Sarah Howes will be informing members of the Michigan legislature.

If you have any questions or would like any additional information, you may contact Michael Prysby, District Engineer, DEQ-ODWMA at 517-290-8817, or you may contact me at the number below.

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

## Wurfel, Brad (DEQ)

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**Sent:** Thursday, March 05, 2015 1:59 PM  
**To:** Howes, Sarah (DEQ); Wurfel, Brad (DEQ); Datema, Maggie (DEQ)  
**Cc:** Prysby, Mike (DEQ); Benzie, Richard (DEQ); Shekter Smith, Liane (DEQ); Rosenthal, Adam (DEQ)  
**Subject:** Flint Drinking Water TTHM Standard Violation - 1st quarter 2015  
**Attachments:** City of Flint VN - MCL TTHM 3-5-15.pdf  
**Importance:** High

Attached is a copy of the Violation Notice and Public Notice Template being mailed to the City of Flint by the DEQ Office of Drinking Water and Municipal Assistance regarding an exceedance of the Maximum Contaminant Level (MCL) standard for Total Trihalomethanes at certain locations within the City's drinking water distribution system.

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Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

## **Wurfel, Brad (DEQ)**

---

**From:** Busch, Stephen (DEQ)  
**Sent:** Monday, March 02, 2015 3:19 PM  
**To:** Wurfel, Brad (DEQ); Howes, Sarah (DEQ); Shekter Smith, Liane (DEQ)  
**Cc:** Datema, Maggie (DEQ); Benzie, Richard (DEQ); Prysby, Mike (DEQ); Rosenthal, Adam (DEQ)  
**Subject:** Draft Flint TTHM Violation Notice for comment  
**Attachments:** Flint DBP MCL 1Q15.doc  
  
**Importance:** High

Attached is a draft violation notice to the City of Flint regarding the exceedance of the drinking water standard for total trihalomethanes (TTHM) based on the latest round of samples collected in February 2015.

As predicted, the levels from the latest round are all very low, but the annual average calculation for 2 sites remains above the maximum contaminant level standard.

We plan to get the letter out on Thursday so please provide any comments/concerns/questions by Wednesday 3/4. An electronic copy of the signed letter will be provided to Maggie/Sarah for forwarding to legislative members in the Flint area as was done with the last violation notice from December.

Again, if you have any questions, please contact me directly.

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

## **Wurfel, Brad (DEQ)**

---

**From:** Busch, Stephen (DEQ)  
**Sent:** Friday, February 27, 2015 2:11 PM  
**To:** Shekter Smith, Liane (DEQ); Benzie, Richard (DEQ); Wurfel, Brad (DEQ)  
**Cc:** Prysby, Mike (DEQ); Rosenthal, Adam (DEQ)  
**Subject:** Updated Flint TTHM Results  
**Attachments:** FLINT TTHM RESULTS.docx

Updated TTHM results from Flint are attached, and are as we expected.

The highest sample individual result from February 2015 was 28.5 ppb, less than half the standard of 80 ppb.

The same two sites still exceed the LRAA MCL standard of 80 ppb due to high results from last summer, but the other 6 comply with the LRAA.

(FYI, if we were still under Stage 1 this wouldn't have ever been a standard violation, the RAA would have calculated out to 78 ppb.)

We are in the process of preparing a violation notice to the City and will have a copy to review and distribute to legislative members and other departments early next week.

Stephen Busch, P.E.  
Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314

## **Wurfel, Brad (DEQ)**

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**Sent:** Tuesday, June 09, 2015 12:39 PM  
**To:** Howes, Sarah (DEQ); Pallone, Maggie (DEQ); Wurfel, Brad (DEQ)  
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Lansing and Jackson District Supervisor  
Office of Drinking Water and Municipal Assistance  
MDEQ  
517-643-2314



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING DISTRICT OFFICE



DAN WYANT  
DIRECTOR

June 9, 2015

Mr. Brent Wright, Operations Supervisor  
City Of Flint – Department of Public Works  
Flint Water Plant  
4500 North Dort Highway  
Flint, Michigan 48505

WSSN: 02310

Dear Mr. Wright:

SUBJECT: Violation Notice (VN) – Maximum Contaminant Level for Total  
Trihalomethanes (TTHM)  
2nd Quarter 2015 Monitoring Period

The Department of Environmental Quality (DEQ), Office of Drinking Water and Municipal Assistance (ODWMA), records show that the city of Flint (City) is in violation of the Safe Drinking Water Act, 1976 PA 399, as amended (Act 399); R 325.10610, *Maximum contaminant levels for disinfection byproducts (MCLs)*, of the 1979 Administrative Code.

In accordance with R 325.10610, *MCLs*, of the 1979 Administrative Code, the MCL for disinfection byproduct TTHM is 0.080 milligrams per liter (mg/L) as a Locational Running Annual Average (LRAA) at each monitoring location. As listed in the table below, our records show that the City's highest TTHM LRAA, based on the last four quarters, ending June 30, 2015, is 0.094 mg/L which exceeds the standard, and at this time only one of the eight sample site locations exceed the LRAA standard of 0.080 mg/L.

Our investigation consisted of a review of ODWMA files for laboratory reports received for compliance monitoring. Our investigation is considered complete. This violation began on June 1, 2015, and will continue until the TTHM LRAA is below the MCL at all sample sites.

TTHM Results (mg/L)						
	8/21/14	11/20/14	2/17/15	5/18/15	LRAA	OEL
DBP1 McDonalds 3719 Davison	<b>0.145</b>	0.059	0.0162	0.0514	0.068	0.044
DBP2 Liquor Palace 3302 South Dort Highway	<b>0.127</b>	0.033	0.0168	0.0635	0.060	0.044
DBP3 North Flint Auto 6204 North Saginaw St.	<b>0.118</b>	0.041	0.0149	0.0452	0.055	0.037
DBP4 University Market 2501 Flushing Road	<b>0.196</b>	<b>0.094</b>	0.0245	0.0598	<b>0.094</b>	0.059
DBP5 Taco Bell 3606 Corunna Road	<b>0.181</b>	0.034	0.0151	0.0547	0.072	0.040
DBP6 Rite-Aid Pharmacy 5018 Clio Road	<b>0.144</b>	0.054	0.0192	0.0605	0.069	0.048
DBP7 Salem Housing 3216 MLK Boulevard	<b>0.112</b>	0.050	0.0285	0.0727	0.066	0.056
DBP8 BP Gas Station 822 South Dort Highway	<b>0.112</b>	0.036	0.0199	0.0461	0.054	0.037

We are encouraged by the results from the most recent round of compliance samples collected on May 18, 2015, which again show individual TTHM levels below 0.080 mg/L at all locations throughout the City's system. Operational Evaluation Reports from December 2014, February 2015, and May 2015, have identified possible causes and corrective measures for the previous elevated TTHM levels which we encourage the City to continue implementing. These modifications have likely contributed in part to the reduction in TTHM levels reported for the most recent quarter in comparison to levels in May 2014, and suggest the City may be able to achieve compliance with the TTHM standard at all sites by continuing these efforts.

Our office is currently reviewing the Operational Evaluation Report dated May 29, 2015, and will provide the City and their consultant with comments, as needed, to help address this MCL violation.

Further, the TTHM operational evaluation level (OEL) calculated in accordance with R 325.10719I, *Disinfection byproducts: operational evaluation levels*, of the 1979 Administrative Code, is now below the 0.080 mg/L operational evaluation trigger at all eight sample site locations. However, our office is requesting that an operational evaluation again be conducted incorporating the most recent sample results, given the increase in TTHM levels from February 2015 results, and that the next monitoring period of August has been identified as the City's peak month for TTHM levels. **Please provide our office with an updated Operational Evaluation Report by Monday, August 31, 2015.**

If you have any other factual information you would like us to consider regarding the violation identified in this VN, please provide them in a written response by June 23, 2015.



Administrative rule R 325.10403 of Act 399 requires that suppliers provide public notice (PN) as soon as practical, but no later than thirty (30) days after the supplier learns of this type of violation, by mail or direct delivery **and** by any other means reasonably calculated to reach customers not normally reached by mail. Enclosed is a sample PN which contains the minimum required language. The City is encouraged to include additional information regarding its response efforts to this violation. **Please notify your consumers by July 1, 2015, and send us a signed and dated copy of the notice that you issued within ten (10) days of distributing the PN.** This violation must also be included in your 2015 Consumer Confidence Report, due by July 1, 2016. The PN must be repeated every quarter until you no longer exceed the TTHM standard. Failure to issue a PN for this violation will result in a fine of at least \$1,000 per event, with a maximum of \$5,000 per violation.

We anticipate and appreciate your continued cooperation in resolving this matter. If you have any questions regarding this VN, please contact us at the numbers below; at prysbym@michigan.gov; or rosenthala@michigan.gov; or at DEQ, P.O. Box 30242, Lansing, Michigan 48909-7742.

Sincerely,

---

Michael F. Prysby, P.E., District Engineer  
Lansing District Office  
Office of Drinking Water and  
Municipal Assistance  
517-290-8817

---

Adam Rosenthal, Environmental Quality  
Analyst  
Lansing District Office  
Office of Drinking Water and  
Municipal Assistance  
517-284-6644

Enclosure

cc: Ms. Jennifer Crooks, U.S. Environmental Protection Agency, Region 5  
Mr. Robert Bincsik, City of Flint  
Mr. Howard Croft, City of Flint  
Mr. Michael Glasgow, City of Flint  
Genesee County Health Department  
Ms. Liane Shekter Smith, DEQ  
Mr. Richard Benzie, DEQ  
Mr. Stephen Busch, DEQ

## IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

### City of Flint Did Not Meet Treatment Requirements

Our water system recently violated a drinking water standard. Although this incident was not an emergency, as our customers, you have a right to know what happened and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Samples were collected for total trihalomethanes (TTHM) analysis from eight locations on a quarterly basis (August 21, November 20 of 2014, and February 17 & May 18 of 2015). The average of the results at **ANY** of the eight locations must not exceed the maximum contaminant level (MCL) for TTHMs, otherwise our water system exceeds the MCL. The standard for TTHMs is 80 micro grams per liter ( $\mu\text{g/L}$ ). The location reporting the highest TTHM level was 94  $\mu\text{g/L}$ ; thus, our water system exceeds the TTHM MCL.

#### What should I do?

- There is nothing you need to do unless you have a severely compromised immune system, have an infant, or are elderly. These people may be at increased risk and should seek advice about drinking water from their health care providers.
- You do not need to boil your water or take other corrective actions. If a situation arises where the water is no longer safe to drink, you will be notified within 24 hours.

#### What does this mean?

This is not an emergency. If it had been an emergency, you would have been notified within 24 hours.

*People who drink water containing trihalomethanes in excess of the MCL over many years may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.*

#### What is being done?

We are currently working on solutions to correct the problem. We anticipate resolving the problem in 2015. Our most recent individual sample results were all less than the 80  $\mu\text{g/L}$  standard, however since compliance is calculated using a locational running annual average (LRAA) of the most recent four quarters, we are still out of compliance with the MCL at one of eight locations.

For more information, please contact Mr. Brent Wright at 517-787-6537, or the Flint Water Plant at 4500 North Dort Highway, Flint, Michigan 48505.

*Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.*

This notice is being sent to you by the City of Flint.

---

CERTIFICATION:

WSSN: 02310

I certify that this water supply has fully complied with the public notification requirements in the Michigan Safe Drinking Water Act, 1976 PA 399, as amended, and the administrative rules.

---

Signature

Title

Date Distributed

Reminder to water supplier: This notice/certification must be sent to the Department of Environmental Quality.



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING DISTRICT OFFICE



DAN WYANT  
DIRECTOR

March 5, 2015

Mr. Brent Wright, Operations Supervisor  
City Of Flint - DPW  
Flint Water Plant  
4500 North Dort Highway  
Flint, Michigan 48505

WSSN: 02310

Dear Mr. Wright:

SUBJECT: Violation Notice (VN) – Maximum Contaminant Level for Total  
Trihalomethanes (TTHM)  
Operational Evaluation – Total Trihalomethanes  
1st Quarter 2015 Monitoring Period

The Department of Environmental Quality (DEQ), Office of Drinking Water and Municipal Assistance (ODWMA), records show that the city of Flint (City) is in violation of the Safe Drinking Water Act, 1976 PA 399, as amended (Act 399); R 325.10610, *Maximum contaminant levels for disinfection byproducts (MCLs)*, of the 1979 Administrative Code.

In accordance with R 325.10610, *MCLs*, of the 1979 Administrative Code, the MCL for disinfection byproduct TTHM is 0.080 milligrams per liter (mg/L) as a Locational Running Annual Average (LRAA) at each monitoring location. As listed in the table below, our records show that the City's highest TTHM locational running annual average (LRAA), based on the last four quarters, ending February 28, 2015, is 0.105 mg/L which exceeds the standard, and that two of the eight sample site locations exceed the standard of 0.080 mg/L.

Further, in accordance with R 325.10719l, *Disinfection byproducts: operational evaluation levels*, of the 1979 Administrative Code, when an operational evaluation level (OEL) at a monitoring location for TTHM exceeds 0.080 mg/L, a supply shall conduct an operational evaluation and submit a written report of the evaluation to the DEQ not later than 90 days after being notified of the analytical result that causes the supply to exceed the operational evaluation level. As listed in the table below, our records show that the TTHM OELs for the City exceed 0.080 mg/L at one of the City's eight sample site locations.

TTHM Results (mg/L)						
	5/21/14	8/21/14	11/20/14	2/17/15	LRAA	OEL
DBP1 McDonalds 3719 Davison	0.162	0.145	0.059	0.0162	0.096	0.059
DBP2 Liquor Palace 3302 S. Dort Highway	0.112	0.127	0.033	0.0168	0.072	0.049
DBP3 North Flint Auto 6204 N. Saginaw St.	0.097	0.118	0.041	0.0149	0.068	0.047
DBP4 University Market 2501 Flushing Road	0.106	0.196	0.094	0.0245	0.105	0.085
DBP5 Taco Bell 3606 Corunna Road	0.079	0.181	0.034	0.0151	0.078	0.063
DBP6 Rite-Aid Pharmacy 5018 Clio Road	0.088	0.144	0.054	0.0192	0.076	0.059
DBP7 Salem Housing 3216 MLK Boulevard	0.082	0.112	0.050	0.0285	0.068	0.055
DBP8 BP Gas Station 822 S. Dort Highway	0.075	0.112	0.036	0.0199	0.061	0.047

Our investigation consisted of a review of ODWMA files for laboratory reports received for compliance monitoring. Our investigation is considered complete. This violation began on March 1, 2015, and will continue until TTHM LRAA is below the MCL at all sample sites.

We are encouraged by the results from the most recent round of compliance samples collected on February 17, 2015, which now show individual TTHM levels at less than half of the 0.080 mg/L standard at all locations throughout the City's system. Operational Evaluation Reports from December 2014, and February 2015, have identified possible causes and corrective measures for the previous elevated TTHM levels which we encourage the City to continue implementing. These modifications have likely contributed in part to the reduction in TTHM levels reported in the most recent quarter, and suggest the City may be able to achieve compliance with the TTHM standard at all sites by continuing these efforts.

Our office is currently reviewing the Operational Evaluation Report dated February 27, 2015, and will provide the City and their consultant with comments, as needed, to help address this MCL violation.

Water systems that exceed the OEL must complete and submit an Operational Evaluation in accordance with Administrative Rule 719I (R 325.10719I) within 90 days of being notified of the violation. **An updated Operational Evaluation report, which incorporates the most recent sample results, must now be completed and received by our office by no later than Friday, May 29, 2015.**

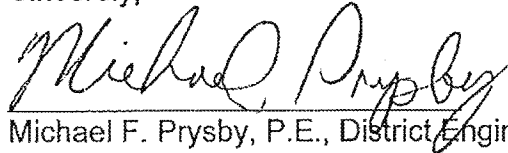
If you have any other factual information you would like us to consider regarding the violation identified in this VN, please provide them in a written response by March 19, 2015.

March 5, 2015

Administrative rule R 325.10403 of Act 399 requires that suppliers provide public notice (PN) as soon as practical, but no later than thirty (30) days after the supplier learns of this type of violation, by mail or direct delivery **and** by any other means reasonably calculated to reach customers not normally reached by mail. Enclosed is a sample PN which contains the minimum required language. The City is encouraged to include additional information regarding its response efforts to this violation. **Please notify your consumers by April 1, 2015, and send us a signed and dated copy of the notice that you issued within ten (10) days of distributing the public notice.** This violation must also be included in your 2015 Consumer Confidence Report, due by July 1, 2016. The PN must be repeated every quarter until you no longer exceed the TTHM standard. Failure to issue a PN for this violation will result in a fine of at least \$1,000 per event, with a maximum of \$5,000 per violation.

We anticipate and appreciate your continued cooperation in resolving this matter. If you have any questions regarding this VN, please contact us at the numbers below; at prysbym@michigan.gov; or rosenthala@michigan.gov; or at DEQ, P.O. Box 30242, Lansing, Michigan 48909-7742.

Sincerely,



Michael F. Prysby, P.E., District Engineer  
Lansing District Office  
Office of Drinking Water and Municipal  
Assistance  
517-290-8817



Adam Rosenthal, Environmental Quality  
Analyst  
Lansing District Office  
Office of Drinking Water and Municipal  
Assistance  
517-284-6644

Enclosure

cc: Ms. Jennifer Crooks, U.S. Environmental Protection Agency, Region 5  
Mr. Jerry Ambrose, Emergency Manager, City of Flint  
Mr. Robert Bincsik, City of Flint  
Mr. Howard Croft, City of Flint  
Mr. Daughtry Johnson, City of Flint  
Genesee County Health Department  
Ms. Liane Shekter Smith, DEQ  
Mr. Richard Benzie, DEQ  
Mr. Stephen Busch, DEQ

## IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

### City of Flint Did Not Meet Treatment Requirements

Our water system recently violated a drinking water standard. Although this incident was not an emergency, as our customers, you have a right to know what happened and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Samples were collected for total trihalomethanes (TTHM) analysis from eight locations on a quarterly basis (May 21, August 21, November 20 of 2014, and February 17, 2015). The average of the results at ANY of the eight locations must not exceed the maximum contaminant level (MCL) for TTHMs, otherwise our water system exceeds the MCL. The standard for TTHMs is 80 micro grams per liter ( $\mu\text{g/L}$ ). The location reporting the highest TTHM level was 105  $\mu\text{g/L}$ ; thus, our water system exceeds the TTHM MCL.

#### What should I do?

- There is nothing you need to do unless you have a severely compromised immune system, have an infant, or are elderly. These people may be at increased risk and should seek advice about drinking water from their health care providers.
- You do not need to boil your water or take other corrective actions. If a situation arises where the water is no longer safe to drink, you will be notified within 24 hours.

#### What does this mean?

This is not an emergency. If it had been an emergency, you would have been notified within 24 hours.

*People who drink water containing trihalomethanes in excess of the MCL over many years may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.*

#### What is being done?

We are currently working on solutions to correct the problem. We anticipate resolving the problem in 2015. Our most recent individual sample results were all less than half the 80  $\mu\text{g/L}$  standard, however since compliance is calculated using a locational running annual average (LRAA) of the most recent four quarters, we are still out of compliance with the MCL at two of eight locations.

For more information, please contact Mr. Brent Wright at 517-787-6537, or the Flint Water Plant at 4500 North Dort Highway, Flint, Michigan 48505.

*Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.*

This notice is being sent to you by the City of Flint.

---

#### CERTIFICATION:

WSSN: 02310

I certify that this water supply has fully complied with the public notification requirements in the Michigan Safe Drinking Water Act, 1976 PA 399, as amended, and the administrative rules.

---

Signature

Title

Date Distributed

Reminder to water supplier: This notice/certification must be sent to the Department of Environmental Quality.



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING DISTRICT OFFICE



DAN WYANT  
DIRECTOR

March 5, 2015 - DRAFT

Mr. Brent Wright, Operation Supervisor  
City Of Flint - DPW  
Flint Water Plant  
4500 North Dort Highway  
Flint, MI 48505

WSSN: 02310

Dear Mr. Wright:

SUBJECT: Violation Notice – Maximum Contaminant Level for Total Trihalomethanes  
Operational Evaluation – Total Trihalomethanes  
1<sup>st</sup> Quarter 2015 Monitoring Period

The Department of Environmental Quality (DEQ), Office of Drinking Water and Municipal Assistance (ODWMA), records show that the City of Flint is in violation of the Safe Drinking Water Act, 1976 PA 399, as amended (Act 399); R 325.10610, *Maximum contaminant levels (MCL) for disinfection byproducts*, of the 1979 Administrative Code.

In accordance with R.325.10610, *MCLs for disinfection byproducts*, of the 1979 Administrative Code, the MCL for disinfection byproduct total trihalomethanes (TTHM) is 0.080 milligrams per liter (mg/L) as a Locational Running Annual Average (LRAA) at each monitoring location. As listed in the table below, our records show that the City of Flint's highest TTHM locational running annual average (LRAA), based on the last four quarters, ending February 28, 2015, is 0.105 mg/l which exceeds the standard, and that two of the eight sample site locations exceed the standard of 0.080 mg/L.

Further, in accordance with R325.10719I, *Disinfection byproducts: operational evaluation levels*, of the 1979 Administrative Code, when an operational evaluation level (OEL) at a monitoring location for TTHM exceeds 0.080 mg/L, a supply shall conduct an operational evaluation and submit a written report of the evaluation to the department not later than 90 days after being notified of the analytical result that causes the supply to exceed the operational evaluation level. As listed in the table below, our records show that TTHM operational evaluation levels for the City of Flint exceed 0.080 mg/L at one of the City's eight sample site locations.

TTHM Results (mg/L)						
	5/21/14	8/21/14	11/20/14	2/17/15	LRAA	OEL
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DBP6 Rite-Aid Pharmacy 5018 Clio Road	<b>0.088</b>	<b>0.144</b>	0.054	0.0192	0.076	0.059
DBP7 Salem Housing 3216 MLK Boulevard	<b>0.082</b>	<b>0.112</b>	0.050	0.0285	0.068	0.055
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this type of violation, by mail or direct delivery **and** by any other means reasonably calculated to reach customers not normally reached by mail. Enclosed is a sample PN which contains the minimum required language. The City is encouraged to include additional information regarding its response efforts to this violation. **Please notify your consumers by April 1, 2015, and send us a signed and dated copy of the notice that you issued within ten (10) days of distributing the public notice.** This violation must also be included in your 2015 Consumer Confidence Report (CCR), due by July 1, 2016. The PN must be repeated every quarter until you no longer exceed the TTHM standard. Failure to issue a PN for this violation will result in a fine of at least \$1,000 per event, with a maximum of \$5,000 per violation.

We anticipate and appreciate your continued cooperation in resolving this matter. If you have any questions regarding this VN, please contact us at the numbers below.

Sincerely,

---

Michael F. Prysby, P.E., District Engineer  
Lansing District Office  
Office of Drinking Water & Municipal  
Assistance  
517-290-8817

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Adam Rosenthal, EQA  
Lansing District Office  
Office of Drinking Water & Municipal  
Assistance  
517-284-6644

mfp/ar/jlr  
Enclosure

cc: Mr. Jerry Ambrose, Emergency Manager, City of Flint  
Mr. Daughtry Johnson, City of Flint  
Mr. Howard Croft, City of Flint  
Mr. Robert Bincsik, City of Flint  
Ms. Jennifer Crooks, U.S. Environmental Protection Agency, Region 5  
Genesee County Health Department  
Ms. Liane Shekter Smith, P.E., DEQ  
Mr. Richard Benzie, P.E., DEQ  
Mr. Stephen Busch, P.E., DEQ

# IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

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### What should I do?

- There is nothing you need to do unless you have a severely compromised immune system, have an infant, or are elderly. These people may be at increased risk and should seek advice about drinking water from their health care providers.
- You do not need to boil your water or take other corrective actions. If a situation arises where the water is no longer safe to drink, you will be notified within 24 hours.

### What does this mean?

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### What is being done?

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For more information, please contact Mr. Brent Wright at 517-787-6537 or the Flint Water Plant at 4500 North Dort Highway, Flint, MI 48505.

*Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.*

This notice is being sent to you by the City of Flint.

---

CERTIFICATION:

WSSN: 02310

I certify that this water supply has fully complied with the public notification requirements in the Michigan Safe Drinking Water Act, 1976 PA 399, as amended, and the administrative rules.

---

Signature

Title

Date Distributed

Reminder to water supplier: This notice / certification must be sent to the DEQ.

# FLINT TTHM RESULTS

TTHM Results (mg/L)						
	5/21/14	8/21/14	11/20/14	2/17/15	LRAA	OEL
DBP1 McDonalds 3719 Davison	<b>0.162</b>	<b>0.145</b>	0.059	0.0162	<b>0.096</b>	0.059
DBP2 Liquor Palace 3302 S. Dort Highway	<b>0.112</b>	<b>0.127</b>	0.033	0.0168	0.072	0.049
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DBP8 BP Gas Station 822 S. Dort Highway	0.075	<b>0.112</b>	0.036	0.0199	0.061	0.047

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, January 07, 2015 1:20 PM  
**To:** Wurfel, Sara (GOV)  
**Subject:** RE: Governor Snyder - HB 5317, 5318 1.doc

Veto would be a very smart play here.

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, January 07, 2015 12:59 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** RE: Governor Snyder - HB 5317, 5318 1.doc

Yes, thanks. Our team was going to be reaching out to yours just in case (which sounds like all happened). Governor had many Qs and was leaning toward veto.

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, January 07, 2015 8:06 AM  
**To:** Silfven, Ken (GOV); Wurfel, Sara (GOV); Biehl, Laura (GOV)  
**Subject:** Fwd: Governor Snyder - HB 5317, 5318 1.doc

Heads up.  
b

Sent from my iPhone

Begin forwarded message:

**From:** "Wyant, Dan (DEQ)" <[WyantD@michigan.gov](mailto:WyantD@michigan.gov)>  
**Date:** January 6, 2015 at 6:11:12 PM EST  
**To:** "Howes, Sarah (DEQ)" <[HowesS1@michigan.gov](mailto:HowesS1@michigan.gov)>, "Datema, Maggie (DEQ)" <[DatemaM@michigan.gov](mailto:DatemaM@michigan.gov)>  
**Cc:** "Thelen, Mary Beth (DEQ)" <[THELENM2@michigan.gov](mailto:THELENM2@michigan.gov)>, "Wurfel, Brad (DEQ)" <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Subject:** Fwd: Governor Snyder - HB 5317, 5318 1.doc

Sarah,

Can you work with the division and prepare a draft veto letter?

Dan Wyant

Begin forwarded message:

**From:** "Rospond, Laurie (GOV)" <[rospondl@michigan.gov](mailto:rospondl@michigan.gov)>  
**Date:** January 6, 2015 at 4:52:49 PM EST  
**To:** "Wyant, Dan (DEQ)" <[WyantD@michigan.gov](mailto:WyantD@michigan.gov)>  
**Subject:** FW: Governor Snyder - HB 5317, 5318 1.doc

Dan,

Can you prepare a veto letter for HB 5317 and HB 5318. It isn't a for sure yet that we are going to veto these bills but we need to have it ready in case the Governor decides to go this route. We need the letter by this Thursday. Sally thought Sarah might have been the person who worked on the bills?

I've attached some information from Sally that may be helpful also.

If you have any questions let me know.

Thanks  
Laurie

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**From:** Durfee, Sally (GOV)  
**Sent:** Tuesday, January 06, 2015 4:46 PM  
**To:** Rospond, Laurie (GOV)  
**Subject:** FW: Governor Snyder - HB 5317, 5318 1.doc

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**From:** Durfee, Sally (GOV)  
**Sent:** Tuesday, January 06, 2015 4:43 PM  
**To:** Posthumus, Dick (GOV) ([Posthumusd@michigan.gov](mailto:Posthumusd@michigan.gov)); Ackerman, Darin (GOV)  
**Subject:** FW: Governor Snyder - HB 5317, 5318 1.doc

The attached was forwarded to me by Shorty Gleason – Legislative Director for the Michigan Building and Constructions Trades Council.

The concern that he has heard most often from the plumbers is that the warranty for the "backflow preventers" are for 5 years – the concern being that these preventers will not be inspected before the warranty runs out. And that this issue is more appropriately regulated at the local level.

Below is an email train that was also forwarded by Shorty.

Cc: John Nussbaum; David Cardinal; Jeff Vlisides; Gary Bendes;  
[jhudak@hydrodesignsinc.com](mailto:jhudak@hydrodesignsinc.com); [tomv@vesalesinc.com](mailto:tomv@vesalesinc.com)  
Subject: **Help Get House Bill 5317 and 5318 Vetoed by Governor Snyder**

Folks, It's not too late to contact Governor Snyder as he has not yet signed these bills into law. If you have contacted him, thank you and please consider contacting him again. If you have not contacted him please do so. The safety of drinking water and those that consume that water is at stake. Please contact the Governor today.

Thank you and Happy New Year,

To Whom it May Concern;

The safety of our drinking water is under attack from both the State House and Senate. These bills severely reduce the testing frequency for residential backflow

prevention assemblies limiting testing to NOT MORE OFTEN THAN ONCE EVERY 5 YEARS. As these are mechanical devices the failure rates are very high when tested this infrequently with failure including air inlet valves stuck closed, leaky check valves or complete removal of the assembly. This is the equivalent of direct cross connections. The hydraulics of the plumbing system are the same for residential and commercial systems yet they will be treated differently if these bills are signed into law.

The State House Regulatory Reform Committee ignored DEQ recommendations as well as recommendations from other industry professionals and passed a bill with testing not more often than once every 10 years. The State Senate decided to revise the bill to testing not more often than once every 5 years without allowing public comment through the Senate Regulatory Reform Committee. This is politics at play with no regard for the safety of the drinking water.

Our only hope now is through contacting Governor Snyder and urging him to veto these bills. Please contact the Governor's Office by e-mail and by phone or both urging him to veto these bills. You can contact him via e-mail at the link below and "Share your opinion". You can contact his office by phone at (517) 373-3400.

<http://www.michigan.gov/snyder/0,4668,7-277-57827-267869--,00.html>

I urge you to cut and paste the below text and e-mail this to the Governor's Office as well as calling his office and expressing your opposition.

Governor, please do not sign into law HB5317 or HB5318.

This matter affects the safety of the drinking water supply and these bills were passed in opposition to recommendations by numerous experts in the field of backflow prevention.

Passage of these bills will be a step backward in efforts to protect the drinking water supply.

I urge you to veto these bills and to instruct the State House and Senate to follow DEQ recommendations which as of January 1, 2011 is testing a minimum of at least every 3 years.

Also, as written, these bills will create a lot of confusion, and extra work, because the resulting testing due dates are out of sync with common practices if people are late in getting the testing completed.

(Most cities use Anniversary Dates {much like tax return due dates always being on the same due date every year}).

The resulting structure could result in multiple due dates spanning multiple years. No allowances for this issue were structured into these bills.

Thank you very much for your consideration of this important issue.

Time is of the essence so please contact the Governor's office today.

Sincerely,

Mike Lueck  
Mid-West Instrument®

586-254-6500 ~ Office

 ~ Cell

[www.midwestinstrument.com](http://www.midwestinstrument.com)

[www.backflowtestkits.com](http://www.backflowtestkits.com)

[www.dpgaugestore.com](http://www.dpgaugestore.com)

## **Wurfel, Brad (DEQ)**

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Tuesday, February 03, 2015 12:21 PM  
**To:** Murray, David (GOV); Stanton, Terry A. (Treasury); Wurfel, Brad (DEQ)  
**Cc:** Agen, Jarrod (GOV)  
**Subject:** Fwd: MEDIA ADVISORY: Keep the Water Flowing Event Press Conference

FYI - did we know about this? Did Jason give a heads up on this? Why announce 45 mins before event and just before state presser?

Sara Wurfel  
Press Secretary | Executive Office of Governor Rick Snyder

Sent from my iPhone

Begin forwarded message:

**From:** Jason Lorenz <[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)>  
**Date:** February 3, 2015 at 12:01:34 PM EST  
**To:** undisclosed-recipients;;  
**Subject:** MEDIA ADVISORY: Keep the Water Flowing Event Press Conference

**MEDIA ADVISORY: Keep the Water Flowing Resident Assistance "Water Fair" Press Conference**

**WHEN:** Tuesday, February 3, 2015 at 1pm

**WHERE:** Catholic Charities of Shiawassee and Genesee Counties, 901 Chippewa St., Flint

**Details on an upcoming event to provide education on assistance available to Flint residents for access to water will be announced by officials from the City of Flint and its partnering agencies, Catholic Charities, the United Way of Genesee County, the Salvation Army, the Food Bank of Eastern Michigan and Home Depot.**

-Jason Lorenz  
Public Information Officer  
City of Flint  
(810) 237-2039  
[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)



## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Tuesday, February 03, 2015 12:24 PM  
**To:** Wurfel, Sara (GOV)  
**Cc:** Murray, David (GOV); Stanton, Terry A. (Treasury); Agen, Jarrod (GOV)  
**Subject:** Re: MEDIA ADVISORY: Keep the Water Flowing Event Press Conference

This is the first I've seen of it. I understand congressman Kildee Will be handing out bottled water around the city today as well.

Sent from my iPhone

On Feb 3, 2015, at 12:21 PM, "Wurfel, Sara (GOV)" <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)> wrote:

FYI - did we know about this? Did Jason give a heads up on this? Why announce 45 mins before event and just before state presser?

Sara Wurfel  
Press Secretary | Executive Office of Governor Rick Snyder

Sent from my iPhone

Begin forwarded message:

**From:** Jason Lorenz <[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)>  
**Date:** February 3, 2015 at 12:01:34 PM EST  
**To:** undisclosed-recipients;;  
**Subject:** MEDIA ADVISORY: Keep the Water Flowing Event Press Conference

**MEDIA ADVISORY: Keep the Water Flowing Resident Assistance "Water Fair" Press Conference**

**WHEN:** Tuesday, February 3, 2015 at 1pm

**WHERE:** Catholic Charities of Shiawassee and Genesee Counties,  
901 Chippewa St., Flint

**Details on an upcoming event to provide education on assistance available to Flint residents for access to water will be announced by officials from the City of Flint and its partnering agencies, Catholic Charities, the United Way of Genesee County, the Salvation Army, the Food Bank of Eastern Michigan and Home Depot.**

-Jason Lorenz  
Public Information Officer  
City of Flint  
(810) 237-2039  
[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Monday, February 09, 2015 12:33 PM  
**To:** Wurfel, Brad (DEQ); Stanton, Terry A. (Treasury); Murray, David (GOV)  
**Subject:** RE: Flint Water Update

Not really – still wondering if TR is working with/through the Emergency Manager OR mayor, or both?

Regardless, is a bit fishy.

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, February 09, 2015 12:17 PM  
**To:** Stanton, Terry A. (Treasury); Wurfel, Sara (GOV); Murray, David (GOV)  
**Subject:** FW: Flint Water Update

Answers the question about whether the Mayor is getting counsel from TR ...  
b

---

**From:** Kelly Rossman-McKinney [<mailto:krossman@truscottrossman.com>]  
**Sent:** Monday, February 09, 2015 12:01 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Flint Water Update

Hi, Brad – Wanted to let you know that Flint will be announcing its water consultant tomorrow at a 2 PM media roundtable. Holler if you have questions or need info. Thanks!

Kelly



---

Kelly Rossman-McKinney, APR  
CEO  
Truscott Rossman • [truscottrossman.com](http://truscottrossman.com)  
Boji Tower • 124 W. Allegan St., Ste. 800 • Lansing, MI 48933  
200 Renaissance Center, Suite 3160 • Detroit, MI 48243  
125 Ottawa Ave NW, Suite 235 Grand Rapids, MI 49503  
Office: 517-487-9320  
Fax: 517-487-5080  
Cell: [REDACTED]

## **Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, February 12, 2015 5:36 PM  
**To:** Wurfel, Brad (DEQ); Brad  
**Subject:** Logan's valentine idea

**Importance:** High

www.magicbymarcy.com  
www.frugalcouponliving.com

magic by marcy  
(invitations & party printables)

I'M HOOKED ON YC  
Happy Valentine's

[http://www.frugalcouponliving.com/2014/01/20/diy-valentine-series/#\\_a5y\\_p=3070281](http://www.frugalcouponliving.com/2014/01/20/diy-valentine-series/#_a5y_p=3070281)

**Sara Wurfel, APR**

Press Secretary | Executive Office of Governor Rick Snyder

[wurfels@michigan.gov](mailto:wurfels@michigan.gov)

517-335-6397, office

██████████ mobile

Twitter: @SaraLW

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, February 13, 2015 12:30 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** FW: When Google search results change history

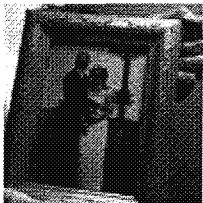
Though you'd get a kick out of this ....

---

**From:** Paciorek, Josh (GOV)  
**Sent:** Friday, February 13, 2015 8:34 AM  
**To:** Loepp, Michael (GOV); Brown, Jessica (GOV); Murray, David (GOV); Wurfel, Sara (GOV); Agen, Jarrod (GOV); Biehl, Laura (GOV); Rexford, Tori (GOV)  
**Subject:** When Google search results change history

What it actually says in the story: **"Sara Wurfel, a spokeswoman for Gov. Rick Snyder, for example, is married to Brad Wurfel, spokesman for the state Department of Environmental Quality."**

But here's how it appears in the Google search: **"Rick Snyder, for example, is married to Brad Wurfel, spokesman for the state Department of Environmental Quality."**



For state-worker couples, politics part of Valentine's Day  
Lansing State Journal - 51 minutes ago  
**Rick Snyder**, for example, is married to Brad Wurfel, spokesman for the state Department of Environmental Quality. Not all of those couples worry over the weight ...

<http://www.lansingstatejournal.com/story/news/local/capitol/2015/02/13/state-worker-couples-politics-part-valentines-day/23328475/>

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, February 13, 2015 2:34 PM  
**To:** Wurfel, Brad (DEQ); Brad  
**Subject:** Idea - <http://www.zehnders.com/waterpark/splashvillagewaterpark.htm>

### Sara Wurfel, APR

Press Secretary | Executive Office of Governor Rick Snyder

[wurfels@michigan.gov](mailto:wurfels@michigan.gov)

517-335-6397, office

mobile

Twitter: @SaraLW



## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, February 18, 2015 12:06 PM  
**To:** Jeff.z.smith@13abc.com  
**Cc:** Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ); Murray, David (GOV)  
**Subject:** Algae blooms and state efforts

Thanks for reaching out, Jeff.

Michigan has been a leader on many fronts of this issue and already has many standards and controls already in place. That said, Gov. Snyder had tasked our DEQ and other agencies to take a close review at this issue last summer. Protecting the Great Lakes and ensuring a safe drinking supply are top priorities.

I'm asking Brad or Karen at the MI Department of Environmental Quality – cc'd on this note here – to fill you in on all those particulars and Michigan's work on this issue.

In the interim, here's some past information/links for background as well too:

Michigan leaders: 'Lake Erie must be protected'; DEQ, MDARD discuss steps to a cleaner western Lake Erie basin  
[http://www.michigan.gov/deq/0,4561,7-135-3308\\_3323-335131--,00.html](http://www.michigan.gov/deq/0,4561,7-135-3308_3323-335131--,00.html)

Brad/Karen – Jeff's number too just in case is 419-531-1313.

Thanks again and best regards,  
SW

**Sara Wurfel, APR**  
Press Secretary | Executive Office of Governor Rick Snyder  
[wurfels@michigan.gov](mailto:wurfels@michigan.gov)  
517-335-6397, office  
[REDACTED] mobile  
Twitter: @SaraLW

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, February 18, 2015 1:30 PM  
**To:** Wurfel, Sara (GOV)  
**Cc:** Tommasulo, Karen (DEQ); Murray, David (GOV)  
**Subject:** RE: Algae blooms and state efforts

Ive got this.

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, February 18, 2015 12:06 PM  
**To:** [Jeff.z.smith@13abc.com](mailto:Jeff.z.smith@13abc.com)  
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[http://www.michigan.gov/deq/0,4561,7-135-3308\\_3323-335131--,00.html](http://www.michigan.gov/deq/0,4561,7-135-3308_3323-335131--,00.html)

Brad/Karen – Jeff's number too just in case is 419-531-1313.

Thanks again and best regards,  
SW

**Sara Wurfel, APR**  
Press Secretary | Executive Office of Governor Rick Snyder  
[wurfels@michigan.gov](mailto:wurfels@michigan.gov)  
517-335-6397, office  
[REDACTED] mobile  
Twitter: @SaraLW

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, February 18, 2015 1:45 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** RE: Algae blooms and state efforts

Great – thx!

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, February 18, 2015 1:30 PM  
**To:** Wurfel, Sara (GOV)  
**Cc:** Tommasulo, Karen (DEQ); Murray, David (GOV)  
**Subject:** RE: Algae blooms and state efforts

I've got this.

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, February 18, 2015 12:06 PM  
**To:** [Jeff.z.smith@13abc.com](mailto:Jeff.z.smith@13abc.com)  
**Cc:** Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ); Murray, David (GOV)  
**Subject:** Algae blooms and state efforts

Thanks for reaching out, Jeff.

Michigan has been a leader on many fronts of this issue and already has many standards and controls already in place. That said, Gov. Snyder had tasked our DEQ and other agencies to take a close review at this issue last summer. Protecting the Great Lakes and ensuring a safe drinking supply are top priorities.

I'm asking Brad or Karen at the MI Department of Environmental Quality – cc'd on this note here – to fill you in on all those particulars and Michigan's work on this issue.

In the interim, here's some past information/links for background as well too:

Michigan leaders: 'Lake Erie must be protected'; DEQ, MDARD discuss steps to a cleaner western Lake Erie basin  
[http://www.michigan.gov/deq/0,4561,7-135-3308\\_3323-335131--,00.html](http://www.michigan.gov/deq/0,4561,7-135-3308_3323-335131--,00.html)

Brad/Karen – Jeff's number too just in case is 419-531-1313.

Thanks again and best regards,  
SW

**Sara Wurfel, APR**  
Press Secretary | Executive Office of Governor Rick Snyder  
[wurfels@michigan.gov](mailto:wurfels@michigan.gov)  
517-335-6397, office  
[REDACTED] mobile  
Twitter: @SaraLW

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, February 20, 2015 10:01 AM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** RE: DEQ statement on Graham Institute Draft report

Call me NOW please – on my cell

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Friday, February 20, 2015 9:48 AM  
**To:** Flesher, John ([jflesher@ap.org](mailto:jflesher@ap.org))  
**Cc:** Fitch, Hal (DEQ)  
**Subject:** DEQ statement on Graham Institute Draft report

We received the final draft copy of the Graham study report Thursday afternoon, and DEQ experts will review it in the weeks ahead. We look forward to working with them to refine the document.

Hey, John. DEQ's statement is below. Call if you have questions. Thanks!  
b

We appreciate this effort by the University of Michigan to offer some policy options for the continued management of hydraulic fracturing.

Hydraulic fracturing remains a unique challenge for the DEQ. It has been used for decades on thousands of oil and gas wells around the Lower Peninsula, and we have found no incidents of environmental contamination associated with hydraulic fracturing. The state's regulatory program is regarded nationally as one of the toughest – a safe, effective way to allow domestic energy production while protecting the air, land and water.

But we recognize that many residents have a lot of questions, a lot of fear and a lot of passion around this practice, and we realize that 60 years' worth of safe yesterdays do not address everyone's concerns about tomorrow. We don't take our track record for granted, and we work continually to update the regulations. The latest update to DEQ's rules, anticipated for implementation this spring, focus heavily on transparency and public access to information about this process.

We believe Michigan residents want the DEQ to continue to base its regulatory approach on science, experience and real challenges. But the department also realizes that there is public concern about fracturing. While the U of M experts did not identify any specific threat to Michigan's natural resources or public health, we agree there is a need for DEQ to continue working to provide the public greater access to information about this process.

Brad Wurfel  
Communications Director  
Michigan Department of Environmental Quality  
517-284-6713  
[REDACTED] cell

**Redacted Pages 63-68**

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Tuesday, March 10, 2015 5:19 PM  
**To:** Wurfel, Brad (DEQ)  
**Cc:** Murray, David (GOV)  
**Subject:** RE: PIO report

Very helpful summary. Thanks much.

Few quick Qs:

Where do we stand on Flint water and next steps?

Please do keep us posted on net pen aquaculture as noted and before anything goes out publicly.

Can you share highlights/one-pager on fracking rule changes?

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Tuesday, March 10, 2015 12:06 PM  
**To:** Murray, David (GOV); Agen, Jarrod (GOV); Wurfel, Sara (GOV)  
**Cc:** Holton, Jennifer (MDA); Golder, Edward (DNR); Wyant, Dan (DEQ); Thelen, Mary Beth (DEQ); Tommasulo, Karen (DEQ)  
**Subject:** PIO report

Sorry I missed the meeting. Had a couple conflicts. Here's what I want to share with you:

**Redacted**

3. **Flint Water:** had a meeting yesterday with a company Baird put in the room to discuss their ozone technology. It was a good conversation but a non-starter for several reasons (Flint already has an Ozone system to modify its water, this company hasn't had its system certified for use on public drinking water supplies, and the problem they propose to address is not at the water plant but throughout various sections of the distribution system). More broadly, Harvey is looking for a 'thing' the state can be doing for Flint that will position SOM / RS

positively. Suggestions range from handing out home water filters (think Britta faucet mount) to passing out jugs of water. After consulting with our experts in the Drinking water program, what we've really come to at DEQ is that if there's funding from treasury (or some charitable donor foundation), the best short-term use of dollars would probably be to hire a company to 'pig' the lines in the distribution system. This is a routine maintenance activity in municipal systems that involves an in-line device under pressure that clears funk out of the lines. **The good news on Flint:** Flint EM Jerry Ambrose noted yesterday that the city has some work to do on its system in the weeks ahead; the TTHM issue is quickly going away; the 'brown water' folks are loud but really few in number; the consultants are doing their work to make suggestions to help the city prioritize its needs; and, broadly, nobody seems to be targeting the administration recently.

# Redacted

Call me with questions. Thanks, and have a great week.

b

Brad Wurfel  
Communications Director  
Michigan Department of Environmental Quality  
517-284-6713  
[REDACTED] cell

**Redacted Pages 71-98**



## Wurfel, Brad (DEQ)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Tuesday, March 17, 2015 10:37 AM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Fwd: City of Flint Information - Consultants

Sent from my iPhone

Begin forwarded message:

**From:** "Wurfel, Brad (DEQ)" <WurfelB@michigan.gov>  
**Date:** March 17, 2015 at 10:11:30 AM EDT  
**To:** "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>  
**Subject:** Fwd: City of Flint Information - Consultants

FYI.

Sent from my iPhone

Begin forwarded message:

**From:** "Thelen, Mary Beth (DEQ)" <THELENM2@michigan.gov>  
**Date:** March 17, 2015 at 9:54:53 AM EDT  
**To:** "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>  
**Cc:** "Wyant, Dan (DEQ)" <WyantD@michigan.gov>, "Wurfel, Brad (DEQ)" <WurfelB@michigan.gov>, "Thelen, Mary Beth (DEQ)" <THELENM2@michigan.gov>, "Clayton, Stacie (GOV)" <claytons3@michigan.gov>, "Sygo, Jim (DEQ)" <SygoJ@michigan.gov>  
**Subject:** City of Flint Information - Consultants

Good Morning Harvey,

The consultants listed below are working with Flint and are in the best position to recommend a water filter system. The locals should be asked to use their consultants to recommend a technology.

Warren Green with Lockwood, Andrews & Newman, Inc.  
[REDACTED]

and

Marvin Gnagy with Veolia North America  
[REDACTED]

Thank you.

Dan Wyant  
Director

---

Mary Beth

Mary Beth Thelen  
Management Assistant to Director Dan Wyant  
Department of Environmental Quality  
Constitution Hall, 6th Floor South  
Phone: 517-284-6712 or 284-6700 (new numbers)  
Fax: 517-241-7401  
[Thelenm2@michigan.gov](mailto:Thelenm2@michigan.gov)

**Redacted Pages 101-102**

## **Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Tuesday, March 24, 2015 11:33 AM  
**To:** Wurfel, Brad (DEQ); Stanton, Terry A. (Treasury)  
**Subject:** FW: PRESS RELEASE: EM Statement on Flint's Water  
**Attachments:** EM Statement on Water 3.24.2015.pdf; EM Letter to Treasury Regarding Water.PDF

FYI

**From:** Jason Lorenz [mailto:jlorenz@cityofflint.com]  
**Sent:** Tuesday, March 24, 2015 10:35 AM  
**Subject:** PRESS RELEASE: EM Statement on Flint's Water

**For Immediate Release**

### **Emergency Manager Statement on Water: Spending Extra \$12 Million on Detroit Water “Incomprehensible” When Flint Water Just as Safe**

*Flint, Michigan – March 24, 2015* – At the City Council meeting held on Monday, March 23, 2015, Flint City Council made a motion to “do all things necessary” to return to using water purchased from Detroit and discontinue use of the Flint River as a water source. The following statement from Emergency Manager Gerald Ambrose addresses that point:

“Flint water today is safe by all EPA and MDEQ standards and the City is working daily to improve its quality. Users also pay some of the highest rates in the state because of the decreased numbers of users and the age of the system.

“It is incomprehensible to me that 7 members of the Flint City Council would want to send more than \$12 million a year to the system serving southeast Michigan, even if Flint rate payers could afford it. Water from Detroit is no safer than water from Flint.

“If \$12 million annually were available for discretionary use, it would be far better spent reducing rates paid by Flint customers and/or modernizing the City's system.”

-Gerald Ambrose,

Flint Emergency Manager

—END—

-Jason Lorenz  
Public Information Officer  
City of Flint  
(810) 237-2039  
[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)

**Redacted Pages 105-110**

## **Wurfel, Brad (DEQ)**

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, March 27, 2015 10:15 AM  
**To:** Wurfel, Brad (DEQ); Stanton, Terry A. (Treasury); Murray, David (GOV)  
**Subject:** FW: MEDIA ADVISORY: DPW Water Quality Update

Do we have any details on this front?

**From:** Jason Lorenz [mailto:[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)]  
**Sent:** Friday, March 27, 2015 8:31 AM  
**Subject:** MEDIA ADVISORY: DPW Water Quality Update

### **FOR PLANNING PURPOSES ONLY**

**MEDIA ADVISORY:** The City of Flint Department of Public Works will be providing the media with an update on water quality.

**WHEN:** Friday, March 27, 2015 at 2:00pm

**WHERE:** Mayor's Office Conference Room, Flint City Hall

-Jason Lorenz  
Public Information Officer  
City of Flint  
(810) 237-2039  
[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)

**Redacted Pages 112-118**



## **Wurfel, Brad (DEQ)**

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, April 08, 2015 2:31 PM  
**To:** Murray, David (GOV); Wurfel, Brad (DEQ); Stanton, Terry A. (Treasury)  
**Subject:** FW: PRESS RELEASE: Flint Water Improvements  
**Attachments:** Flint Water Improvements 2015.pdf

FYI

**From:** Jason Lorenz [mailto:jlorenz@cityofflint.com]  
**Sent:** Wednesday, April 08, 2015 12:04 PM  
**Subject:** PRESS RELEASE: Flint Water Improvements

### **For Immediate Release**

## **City of Flint Announces Action Plan to Maintain Safety and Improve Quality of Flint Water**

*Flint, Michigan – April 8, 2015* – The City of Flint is proceeding with a series of actions to ensure the continued safety of Flint drinking water is maintained and that issues of discoloration and odor continue to be addressed. Most notably, the installation of a Granulated Active Charcoal filter (GAC) at the Water Treatment Plant is expected to be authorized this week by Emergency Manager Jerry Ambrose.

The introduction of the GAC to the treatment process at Flint's plant will absorb or reduce the chemical precursors which will block or eliminate the formation of TTHM during the filtration process. Engineering and design are underway and installation of the GAC is targeted for completion by mid-July. Cost of this improvement is projected at \$1.5 million and will be paid for by the proceeds from the state approved restructuring of the City's Drinking Water Revolving Fund loans.

In addition to the installation of the GAC, the City of Flint is undertaking a number of other improvements to the water system in the coming months, including a water leak detection monitoring, completion of the hydraulic model and subsequent targeted hydrant flushing program, and the replacement of two miles of water main pipe in a critical area of the city. All of these improvements scheduled to occur within the next six months.

“The replacement of this two mile section of pipe along Dupont Street has been identified by a water reliability study as a significant piece of infrastructure and will greatly improve the movement of water in that area of the

city,” said Dept. of Public Works Director Howard Croft. Increasing the circulation of the water in the system will immediately result in improvements in water aesthetics, such as discoloration and odor. The MDEQ has given its approval to the project and the process of bidding for construction will begin next week. Construction will take place during the summer of this year.

Ongoing repairs and maintenance also continue to improve the health of the system. To date, about 200 water main breaks have been repaired this year. Whenever major work that may disrupt service is scheduled, the City works to notify residents in the affected area with signage and with posts to [cityofflint.com](http://cityofflint.com). Updates will include the area of work and the estimated time of completion.

Each main break repair stirs sediments in the line. “Residents should know that there is a chance of discoloration or odor any time work is being done on a main in their area,” said Croft. “This is nothing to be alarmed about and it doesn’t mean the water is unsafe.” If discoloration of water or odor occurs due to repairs, residents are reminded that running the water for a few minutes should clear the line. Anyone with water questions should call 810-787-6537.

The City of Flint remains committed to addressing water related issues. Along with maintaining the safety of the water, addressing quality and affordability are top priorities. The steps outlined above are indicators of the City’s progress in addressing the most pressing concerns surrounding water. Emergency Manager Ambrose reiterated that development of a contract with DWSD was not going to happen.

"Those advocating for a return to DWSD do not want to recognize the financial realities of such a move. Not only would such a move increase the City's costs by more than \$1million per month, but the water from Detroit is no safer than Flint water, as both entities are measured by the same MDEQ standards that have been in place for years. Why anyone would want to send a million dollars a month to DWSD rather than make necessary repairs to the City's own system is beyond me."

Further updates on the progress being made to improve Flint’s water system will released in regular updates to the media and in updates to the City’s website, [cityofflint.com](http://cityofflint.com). Anyone wishing to report an issue can do so under “Online Services”. Anyone with questions about these or any other water issues should call the water treatment plant at 810-787-6537.

–END–

-Jason Lorenz  
Public Information Officer  
City of Flint

**Redacted Pages 121-218**

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, October 01, 2015 12:01 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** RE: Michigan Radio/NPR interview: Thurs 10/1 @ 11:35 AM

Seems like may be best for Dan to do as separate IV – just high level, talking about all work that has already happened and working on additional action steps to be finalized by end of week.

Thoughts? Is he prepared?

But just crap that they reach out at last minute like that when clearly was set up prior.

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Thursday, October 01, 2015 11:06 AM  
**To:** Wurfel, Sara (GOV) <Wurfels@michigan.gov>  
**Subject:** Fwd: Michigan Radio/NPR interview: Thurs 10/1 @ 11:35 AM

Sent from my iPhone

Begin forwarded message:

**From:** Alexandra Billings <[allibill@umich.edu](mailto:allibill@umich.edu)>  
**Date:** October 1, 2015 at 11:02:43 AM EDT  
**To:** "Wurfel, Brad (DEQ)" <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Subject:** Re: Michigan Radio/NPR interview: Thurs 10/1 @ 11:35 AM

The idea was to get Edwards and DEQ in the same interview but we could also work out a conversation at a different time slot.

Cyndy (Stateside host) is available this afternoon between 12:00 pm - 1:00 pm as well as at 2:00 pm.

The show airs at 3 o'clock so that's about as late as we could push it.

Let me know what works best.

On Thu, Oct 1, 2015 at 10:59 AM, Wurfel, Brad (DEQ) <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)> wrote:

The time is going to be tough. But I'll find a way to get you someone, even if it's me. Can you work out a conversation at a different time slot, or was the idea to get Edwards and DEQ in the same interview?

Sent from my iPhone

On Oct 1, 2015, at 10:38 AM, Alexandra Billings <[allibill@umich.edu](mailto:allibill@umich.edu)> wrote:

Hi Brad,

Sounds like you're in meetings all day so I just wanted to reiterate that the phone interview with Marc Edwards is at 11:35 am.

If someone from the DEQ is interested in discussing the lead corrosion problem in Flint but cannot make 11:35 am work, please let me know.

My deadline is at 11:00 am.

Thank you!

On Thu, Oct 1, 2015 at 9:49 AM, Alexandra Billings <[allibill@umich.edu](mailto:allibill@umich.edu)> wrote:

Hi Brad,

Alli here with Michigan Radio - I help with booking for Stateside with Cynthia Canty. On today's show, we're speaking with Virginia Tech's Marc Edwards about Flint's water problems.

I would like to see if someone from the DEQ (Mike Prysby or Dan Wyant) would be interested in joining the conversation.

**The interview is at 11:35 am so I would need to know as soon as possible.**

Two main things we would like to discuss: how the city conducted testing for lead and why DEQ did not require Flint to put corrosion control in place at the time of the switch.

The interview would be pre-recorded, not live, and would take about 10-15 minutes. A land line is preferred.

When you have a moment, please let me know.

Thanks!

--

Alexandra Billings  
Broadcast Producer



--

**Redacted Pages 221-222**

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, October 01, 2015 10:02 PM  
**To:** Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ)  
**Subject:** Fwd: Friday Press Conference

Who do you guys have on your media lists when the advisory was sent- didn't the Flint TV stations receive this info already? Also just heard from WEYI TV 5.

Sent from my iPhone

Begin forwarded message:

**From:** "Maloney, Damon" <[damon.maloney@abc12.com](mailto:damon.maloney@abc12.com)>  
**Date:** October 1, 2015 at 9:57:14 PM EDT  
**To:** Sara Wurfel <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)>  
**Cc:** David Murray <[murrayd1@Michigan.gov](mailto:murrayd1@Michigan.gov)>  
**Subject:** Friday Press Conference

Hello,

We are hearing from newspaper reports that a press conference is set for tomorrow at 1:30 pm at Kettering University with state and city officials to discuss next steps for Flint water.

Wanted to inquire about such a meeting taking place.

Thank you,  
Damon

Damon Maloney  
abc12 News  
Sent from my iPhone

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, October 02, 2015 7:25 AM  
**To:** Tommasulo, Karen (DEQ)  
**Cc:** Wurfel, Brad (DEQ)  
**Subject:** Re: Friday Press Conference

I got it to WEYI 25 and WJRT 12 - just would make sure you have sent with personalized notes to all Flint media and those who have followed this issue closely and may not be on your list. Not blast but individual. Duplication in this case isn't an issue.

Sent from my iPhone

On Oct 2, 2015, at 6:31 AM, Tommasulo, Karen (DEQ) <[TommasuloK@michigan.gov](mailto:TommasuloK@michigan.gov)> wrote:

That was my bad. I sent to our regular press release list, which has about 3000 subscribers. I imagine the flint tv stations aren't on it though, and I didn't slow down long enough to manually send it to others.

Did you already forward to all 3 of them, or should I do so?

Sent from my iPhone

On Oct 1, 2015, at 10:02 PM, Wurfel, Sara (GOV) <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)> wrote:

Who do you guys have on your media lists when the advisory was sent- didn't the Flint TV stations receive this info already? Also just heard from WEYI TV 25.

Sent from my iPhone

Begin forwarded message:

**From:** "Maloney, Damon" <[damon.maloney@abc12.com](mailto:damon.maloney@abc12.com)>  
**Date:** October 1, 2015 at 9:57:14 PM EDT  
**To:** Sara Wurfel <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)>  
**Cc:** David Murray <[murrayd1@Michigan.gov](mailto:murrayd1@Michigan.gov)>  
**Subject:** Friday Press Conference

Hello,

We are hearing from newspaper reports that a press conference is set for tomorrow at 1:30 pm at Kettering University with state and city officials to discuss next steps for Flint water.

Wanted to inquire about such a meeting taking place.

Thank you,  
Damon



Damon Maloney  
abc12 News  
Sent from my iPhone

# Redacted

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Tuesday, October 06, 2015 8:59 PM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Fwd: MIRS.

Sent from my iPhone

Begin forwarded message:

**From:** "Holton, Jennifer (MDARD)" <[holtonj@michigan.gov](mailto:holtonj@michigan.gov)>  
**Date:** October 6, 2015 at 8:09:39 PM EDT  
**To:** "Wurfel, Brad (DEQ)" <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Subject:** MIRS.

### Old Water Pipes Not Just A Flint Issue

Flint's lead-tainted water has refocused attention on something usually buried in the minds of the public: The water supply, and how it's piped into homes.

"Potholes you can see when you hit them. You see a rusted-out bridge," said Pat **LINDEMANN**, drain commissioner of Ingham County, who referred to water pipes as the orphan child of infrastructure.

While much has been made of the state's roads and efforts to pump more funds into them, some experts have portrayed the aging water infrastructure across the state as underfunded and decades behind in repair and replacement.

Not only that, but some officials concede there are instances where local governments have no idea what condition their systems are in or even where they're located underground.

"We have a lot of old infrastructure under there and half the time -- most of the time -- we're clueless as to exactly where it is," Lindemann said, after describing an instance when the county discovered some wooden water pipes running beneath a section of Old Town in Lansing.

The American Society of Civil Engineers bestowed Michigan's roads with a "D" grade in a review of the state's infrastructure. Also receiving substandard grades were Michigan's drinking water (D) and wastewater (C).

This is despite the state being surrounded by some of the cleanest sources of water in the country, said James **CLIFT**, policy director of the Michigan Environmental Council (MEC).

Yet the issue is often the old infrastructure the water runs through.

"Literally, around the state, we have water supply systems that can range anywhere from 50 to 100 years old," said Mike **NYSTROM**, executive vice president of the Michigan Infrastructure and Transportation Association (MITA). "We can literally show you pictures of some of them,

people would be horrified."

People have also been horrified about what they've seen coming out of their taps in Flint, attributed in part to the lead water pipes that run into homes from the main system (See "State Plan For Flint Water Includes More Testing, \$1 Million For Filters," 10/2/15).

Cities with older homes are likely to have these lead pipes still, said Gary **MEKJIAN**, director of public services for Farmington Hills, and also leader of the Michigan Municipal League's internal transportation and infrastructure committee.

Mekjian said some communities have removed many lead pipes from the public right-of-way, but like what happened in Flint, the lead pipes beneath some private properties haven't been addressed.

In many cases, the portion of the pipe underneath a person's property that runs into the house belongs to that person, but there are some who believe that burden should fall to the public utility to dig up and replace.

"I think it's part of the public utility," Clift said, adding that when it comes to electric utilities, no one is arguing the line from the telephone pole to the house is the landowner's responsibility to maintain.

The state plan issued last week in response to the Flint water fallout mentioned accelerating water system improvements to replace lead service lines.

One way the state may go about that is looking into rule or law changes for a fund that has typically been allowed for use only on municipal projects on the main water line, according to the Michigan Department of Environmental Quality (DEQ).

Another issue is that governments are behind on evaluating the condition of their water pipes and infrastructure.

Clift referenced the "rudimentary" process by which Flint tracks homes with lead pipes, according to media reports, the city keeps that information on a series of 45,000 index cards.

"There's a lot of information about this stuff we don't even know," Lindemann said. "When they put it in the ground, a lot of this stuff wasn't even mapped. We don't even know exactly where it is."

As Mekjian said, a government can't manage something until it understands what it has, so that's step one.

"Once folks across the state are able to see how bad the systems are across the state, we look to have some statewide funding mechanism put in place," Nystrom said.

The state has tried to jump-start this review process for locals through its Stormwater, Asset Management and Wastewater (SAW) grant program, which originated from legislation signed into law in 2013.

These grants help locals develop asset management plans for wastewater and stormwater systems, among other uses, according to the DEQ.

But once that's established, next comes funding, which historically has struggled to keep up with the actual needs of these systems.

Several experts described a pattern that has followed the financial support of water infrastructure: Even from the time of the Civil War through the 20th century, the federal government paid for some big projects.

But when the locals gained control of these systems, they didn't implement the kind of rates that could support the upkeep long-term.

"The ability of a water system to levy the appropriate amount of fees so that it can . . . implement the appropriate capital improvements . . . is absolutely critical," Mekjian said. "You can't have politicians trying to keep water and sewer rates artificially low to meet their agenda. You just can't do it."

Sent from my iPhone

**Redacted Pages 230-239**

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, October 28, 2015 8:54 AM  
**To:** Buhs, Caleb (DTMB); Murray, David (GOV); Wurfel, Brad (DEQ)  
**Subject:** RE: Protest Event - Constitution Hall

Thanks much, though this looks like it was supposed to be yesterday? Anything happen?

---

**From:** Buhs, Caleb (DTMB)  
**Sent:** Wednesday, October 28, 2015 8:36 AM  
**To:** Murray, David (GOV) <MurrayD1@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Wurfel, Brad (DEQ) <WurfelB@michigan.gov>  
**Subject:** FW: Protest Event - Constitution Hall

I wanted to make sure you were all aware of this. I don't have any more details right now, but could try to find out, if necessary.

-Caleb

---

**From:** Pratt, Jeff (DTMB)  
**Sent:** Tuesday, October 27, 2015 6:14 PM  
**To:** Behen, David (DTMB) <Behend@michigan.gov>; Davenport, Rodney (DTMB) <DavenportR1@michigan.gov>; Stibitz, Brom (DTMB) <StibitzB@michigan.gov>; Jeffery, Phillip (DTMB) <Jefferyp@michigan.gov>; Swanson, Eric (DTMB) <swansone@michigan.gov>; Buhs, Caleb (DTMB) <BuhsC@michigan.gov>; McFarlane, James (DTMB) <mcfarlanej@michigan.gov>; Gelisse, Ashley (DTMB) <GelisseA@michigan.gov>; Kopacsi, Christian (DTMB) <KopacsiC@michigan.gov>; Turnquist, Michael (DTMB) <TurnquistM@michigan.gov>  
**Cc:** Christensen, Chris (DTMB) <christensenc4@michigan.gov>; Stanaway, Deb (DTMB) <StanawayD@michigan.gov>; Arend-Ritter, Saige (DTMB) <Arend-RitterS@michigan.gov>  
**Subject:** Protest Event - Constitution Hall

# Attention

DTMB Central Control

Available 24/7

(517) 3

DTMB Leadership,

For your awareness there is a protest event planned for Tuesday Oct. 27th outside Constitution Hall between 12 noon and 4:00pm. The event is a response to the water situation in Flint. Please plan your daily activities with this in mind as a large turnout for this event is anticipated. DTMB and MSP are working together and will monitor the situation.

Please let us know if you have any questions or require additional details.

Thanks,

Jeff

Jeff Pratt  
Michigan Department of Technology, Management & Budget  
Cybersecurity and Infrastructure Protection  
Office of Infrastructure Protection  
Cell: [REDACTED]  
Office: (517) 241-4391



## Wurfel, Brad (DEQ)

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**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, October 29, 2015 10:15 AM  
**To:** Eisner, Jennifer (DHHS); Murray, David (GOV); Brown, Jessica (GOV); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ)  
**Cc:** Lasher, GERALYN (DHHS); Minicuci, Angela (DHHS)  
**Subject:** RE: Lead Awareness Week PR

Other than it being Thursday and nearly already the end of the week? Afraid that may do more harm than good.

Also, aren't there updates on both water testing and blood lead level results coming out today?

---

**From:** Eisner, Jennifer (DHHS)  
**Sent:** Thursday, October 29, 2015 9:41 AM  
**To:** Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Murray, David (GOV) <MurrayD1@michigan.gov>; Brown, Jessica (GOV) <BrownJ53@michigan.gov>; Wurfel, Brad (DEQ) <WurfelB@michigan.gov>; Tommasulo, Karen (DEQ) <TommasuloK@michigan.gov>  
**Cc:** Lasher, GERALYN (DHHS) <lasergh@michigan.gov>; Minicuci, Angela (DHHS) <MinicuciA@michigan.gov>  
**Subject:** Lead Awareness Week PR

Good morning:

Today we will be issuing the lead awareness week press release. Please let me know if there are any last-minute concerns or issues.

Thank you,

Jennifer (Smith) Eisner  
Public Information Officer  
Michigan Department of Health and Human Services  
517-241-2112

---

### All Michigan Families Encouraged to Learn More, Reduce Lead Exposure in Homes

LANSING, Mich. — Nearly half a million children in the United States have elevated blood lead levels that could cause significant damage to their health, estimates the Centers for Disease Control and Prevention, and more than 3,000 Michigan children test positive for lead poisoning each year. Elevated blood lead levels in children is based on 5 micrograms per deciliter or higher.

In response to recent elevated blood lead levels detected in some Flint children, as well as in support of National Lead Poisoning Prevention Week October 25-31, the Michigan Department of Health and Human Services is working to raise awareness and education around childhood lead poisoning prevention across the state.

"Awareness is the best defense against lead poisoning, and unfortunately in Michigan, we know that we still have too many children exposed to lead," said Dr. Eden Wells, Chief Medical Executive with MDHHS. "By making parents and

caregivers aware of exposure hazards and teaching them safe cleaning and remediation practices, we can go a long way toward ensuring that children don't suffer lifelong health impacts from lead poisoning."

Levels in some Flint children increased after a 2014 change in water source. To address this, MDHHS is continuing to offer free NSF-certified water filters to residents and supporting the actions of the Genesee County Health Department. Further, an action plan to test all at-risk children in Flint is being implemented in partnership with local providers, health plans, and community organizations.

Major sources of lead exposure to U.S. children include lead-based paint and lead-contaminated dust in deteriorating buildings. Children can also be exposed to lead from additional sources including contaminated drinking water, take-home exposures from a workplace, and lead in soil.

This year's NLPPW theme, "Lead-Free Kids for a Healthy Future," underscores the importance of testing your home, testing your child, and learning how to prevent lead poisoning's serious health effects. Parents can reduce a child's exposure to lead in many ways, including:

- Get your Home Tested. If you live in a home built prior to 1978 or before you buy an older home, ask for a lead inspection.
- Get your Child Tested. Even if your young children seem healthy, talk to your healthcare provider about testing them for lead.
- Get the Facts. For more information, contact the Michigan Childhood Lead Poisoning Prevention Program at 888-322-4453 or visit [www.michigan.gov/lead](http://www.michigan.gov/lead) or [www.michigan.gov/leadsafe](http://www.michigan.gov/leadsafe).

###

**Redacted**

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, November 02, 2015 7:32 PM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Fwd: DHHS Data  
**Attachments:** Flint Lead by zip 100715.xlsx; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

**From:** "Krisztian, George (DEQ)" <[krisztiang@michigan.gov](mailto:krisztiang@michigan.gov)>  
**Date:** November 2, 2015 at 5:13:24 PM EST  
**To:** "Wyant, Dan (DEQ)" <[WyantD@michigan.gov](mailto:WyantD@michigan.gov)>, "Wurfel, Brad (DEQ)" <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Subject:** DHHS Data

Spreadsheet supplied by DHHS, The "All Flint" area is in red as it was not part of the original spreadsheet, it was back calculated by taking All Genesee and subtracting Non-Flint.

George

George L. Krisztian  
Flint Action Plan Coordinator  
Laboratory Director  
Michigan Department of Environmental Quality  
Desk ph (517) 284-6719  
Cell ph [REDACTED]

**Redacted Pages 246-251**

COS Agenda  
February 26, 2013

**Redacted**

New/Update

**Redacted**

✓ 2. EM other

**Redacted**

**Redacted**

c. Flint Water

**Redacted**

**Redacted**

— EDUCATION CONSULTANT  
HIRING WHEN?

—  
COS Items  
April 24, 2013

**Redacted**

✓ 12 Detroit/Flint Water meeting

**Redacted**



COS Agenda  
February 26, 2013

New/Update

**Redacted**

✓ EM other

**Redacted**

**Redacted**

✓ c. Flint Water

**Redacted**

# Redacted

COS Agenda  
February 15, 2013

New/Update

**Redacted**

2. EM other

**Redacted**

c. Flint Water →

**Redacted**

**Redacted**

COS Agenda  
/ April 18, 2013

**Redacted**

1. Flint/DWSD

**Redacted**



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY

R. KEVIN CLINTON  
STATE TREASURER

**DATE:** July 3, 2014  
**TO:** Rick Snyder, Governor  
**FROM:** R. Kevin Clinton, Treasurer  
**SUBJECT:** Status of Financially Stressed Local Governments

**EMERGENCY MANAGER**

**Allen Park**

Emergency Manager: Joyce Parker  
Appointed: October 26, 2012  
Anticipated Exit: September 2014

**Recent Developments**

- Sale of Southfield Lease Properties (movie studio) to Time Equities for \$12M expected to close in July 2014.
- The City is requesting a \$2.7M emergency loan, which will likely be considered by the Emergency Loan Board at a July meeting (TBD). Proceeds would be used to pay the delinquent pension obligation. Still awaiting receipt of actuary report.

**Significant Actions/Issues**

- 10 year, \$6.7M Public Safety Millage approved by voters in August 2013.
- Future OPEB liabilities reduced by \$48.8M (33%).
- Subsequently, litigation was filed by retirees challenging EM's authority to reduce OPEB liabilities (court date pending).

**Issues to Resolve before EM Exit**

- Complete tender offer and debt refinancing (related to Southfield Lease Properties) by September 2014.
- Finalize compliance settlement with SEC.
- Reduce pension liabilities and transfer pension from City to MERS.

**Detroit**

Emergency Manager: Kevyn Orr

Appointed: March 14, 2013

Anticipated Exit: September 2014

Recent Developments

- Permanent PLA financing of \$185M closed on July 2, 2014.

Significant Actions/Issues

- The City filed for Chapter 9 bankruptcy on July 18, 2013, and Federal Judge Rhodes ruled the City is eligible on December 3, 2013.
- DWSD financing for capital needs of \$150M anticipated to close July/August 2014.

**Flint**

Emergency Manager: Darnell Earley

Appointed: November 28, 2013

Anticipated Exit: April 2015

Recent Developments

- The Federal District Court Judge lifted the preliminary injunction (six retirees challenged modifications made by EM to retiree healthcare coverage). City can implement cost saving measures, pending trial outcome. Increased cost to the City is approximately \$5M annually, if the challenge stands.
- A \$1.1M state appropriation was received to fund front-line public safety positions (FY 15) in response to the loss of a \$3.4M SAFER grant for police and fire fighter staffing. Otherwise, the lost SAFER grant funds eliminate 19 fire fighters and 36 police officers.
- EM has proposed collective bargaining agreement terms that will save the City \$336K annually with long-term projected savings of \$4.3M effective July 1, 2014 (proposal is subject to consideration by City Council and approval by the State Treasurer).

Significant Actions/Issues

- Sale of water pipeline moving forward as scheduled.
- Water Plant placed into full-time service in April 2014, ending contractual relationship with DWSD.

Issues to Resolve before EM Exit

- Eliminate annual operating/structural deficit which is projected at \$1.7M for FY 17, and grows to \$11.9M during FY 19 if the lawsuit over retiree health care is lost.

**Hamtramck**

Emergency Manager: Cathy Square

Appointed: July 1, 2013

Anticipated Exit: September 2014

**Recent Developments**

- City requested a \$2.1M emergency loan, which was approved by the Emergency Loan Board on June 26, 2014. Proceeds resolve a \$2.1M liability to MERS.

**Significant Actions/Issues**

- Fire collective bargaining agreement successfully negotiated in November 2013.
- Police collective bargaining agreement successfully negotiated in December 2013.
- Building inspection services contracted out in October 2013.

**Issues to Resolve before EM Exit**

- Retiree healthcare changes implemented in December 2013, saving over \$1.8M.
- Resulting retiree healthcare litigation must be resolved.
- Two-year budget must be finalized.
- Hire City Manager before exit.

**RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)**

**Benton Harbor**

RTAB Appointed: March 10, 2014

RTAB Members: Cary Vaughn, Bret Witkowski, Marvin Raglon, Sharon Hunt

**Recent Developments**

- Study initiated to review the cost of ongoing litigation issues.
- FY 15 budget is balanced.

**Significant Actions/Issues**

- Former Department of Public Works Director, Darwin Watson appointed City Manager in February 2014.
- General Fund revenues are projected to exceed expenditures by \$2.9M by in FY 14.
- A six-year capital improvement plan has been developed and has identified capital needs exceeding \$4.8M.
- City Manager implemented a twelve-month operational plan to guide City operations.



**Ecorse**

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joyce Parker

**Recent Developments**

- RTAB approved draft Evaluation Criteria for exiting the City in June 2014.
- Plante Moran tendered a withdrawal letter; their services will end July 24, 2014.
- RTAB rejected the City's proposed five-year budget in June 2014 due to unrealistic projections.

**Significant Actions/Issues**

- George Strand hired as City Administrator in April 2014.
- City Council has repeatedly rejected a CGAP grant, which would have saved the City \$1M, offsetting the lost tax settlement revenue.

**Pontiac**

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Louis Schimmel, Keith Sawdon, Robert Burgess

**Significant Actions/Issues**

- In April 2014, the Final EM Order was amended to create a Deputy Mayor position (candidate search underway).
- \$6M annual retiree healthcare obligation and related federal litigation must be resolved prior to August 2015 when EM Final Order expires.
- Pontiac Pension Board and City Council approved a proposal to allow an IRS 420 transfer for payment of retiree healthcare costs; financial impact of this proposal must be evaluated by July 2014.
- Conclude condemnation litigation process and proceed with budgeted \$2M demolition of the Phoenix Center.

**CONSENT AGREEMENT**

**Inkster**

Date Executed: February 20, 2012

Consultant/Treasury Representative: Mark Stuhldreher

Term of Consent Agreement: N/A

**Recent Developments**

- A study of the Police Department has been completed and is very critical of the Police Chief and the City Administration.

**Significant Actions/Issues**

- Mark Stuhldreher, City Treasurer, was granted certain Emergency Manager powers in February 2012.
- Richard Marsh appointed as City Manager in August of 2013.

- City was awarded a \$486K CGAP grant on April 1, 2014 to contract with the Wayne County Sheriff's Department; City is working with Michigan State Police to augment police staffing.
- City of Westland was awarded a \$347K CGAP grant to consolidate the Inkster Fire Department into the Wayne/Westland Fire Authority on April 1, 2014.
- Report of excessive litigation expense and attorney fees completed in April 2014 and revealed that large expenses were likely a one-time occurrence.
- Resolve Water Fund litigation with a potential liability of \$3M.

### River Rouge

Date Executed: December 15, 2009

Consultant/Treasury Representative: N/A (P.A. 72)

Term of Consent Agreement: N/A

#### Recent Developments

- FY 14 General Fund budget ended the year with a projected \$298K surplus.

#### Significant Actions/Issues

- U.S. Steel annual \$1M tax settlement payment to the City expires in FY15.

### Royal Oak Township

Effective Date: April 21, 2014

Consultant/Treasury Representative: Robert Burgess

Term of Consent Agreement: October 31, 2017

#### Recent Developments

- Robert Burgess hired as Deputy Supervisor and Consent Agreement Consultant in May 2014.

#### Significant Actions/Issues

- Michigan State Police providing police services on a temporary basis while the Township explores policing options with adjacent local units.
- Outstanding amount owed to Oakland County for 2013 police services paid in full in March 2014.

## NEUTRAL EVALUATION

### Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: May 1, 2014

#### Recent Developments

- The City defaulted on its emergency loan payment due May 19, 2014. Treasury withheld \$101K from State Revenue Sharing on June 30, 2014 to cover default.

*Neutral evaluation  
50-50 between City  
and creditors  
Note from Bert Johnson  
waiting payment after  
they spent the money*

Significant Actions/Issues

- Ronald Rose, former Dykema Gossett bankruptcy attorney appointed as Neutral Evaluator in May 2014.
- The neutral evaluation process is intended to last 60 days, ending on July 29, 2014.
- Local government or a majority of participating interested parties may elect to extend the neutral evaluation process by an additional 30 days.
- Liabilities total \$117.6M of which some of the major components are: \$55.3M is debt (includes \$20.7M owed to DWSD), \$17.7M is unfunded pension, and \$26.1M is unfunded OPEB liabilities.
- OPEB costs are paid from the General Fund on a pay-as-you-go basis.
- Fifth Third Bank notified the City on September 11, 2013 that "Event of Defaults" have occurred regarding the Letter of Credit held by the bank. The bank terminated the Letter of Credit, transferred \$7M in unexpected proceeds, and is seeking to capture pledged state revenue sharing.

**P.A. 436 REVIEW**

Lincoln Park

Financial Review Team Appointed: February 10, 2014

Financial Emergency Declared: April 14, 2014

PA 436 Option Selected: N/A

Recent Developments

- City Council, twice, failed to accept the negotiated Consent Agreement by the May 23, 2014 statutory deadline.
- Emergency Manager, Brad Coulter appointed on July 3, 2014.

Significant Actions/Issues

- FY 13 ended with a General Fund deficit of \$89K; City had a positive fund balance of \$2M in the prior fiscal year.
- Police and Fire contracts need to be renegotiated.

**OTHER COMMUNITIES**

Melvindale

Significant Actions/Issues

- Unaudited FY 13 numbers indicate a \$200K increase in the General Fund deficit.
- City's ice arena continues to operate at a deficit, impacting the General Fund.
- Treasury representatives met with city officials to discuss strategies of addressing deficits.

## Taylor

### Significant Actions/Issues

- General Fund unrestricted deficit of \$2.2M.
- General Fund borrowed \$7.5M from the Water and Sewer Fund in FY 13.
- City made only 47% of its required annual contribution for OPEB. The unfunded liability is \$232.7M and continues to grow.
- There are several contingent liabilities that may impact the financial stability of the City including the possibility of subsidizing Brownfield Redevelopment bonds of \$14.26M.
- A 1996 levy to pay a general obligation bond expires in 2015, potentially resulting in a \$6.2M drain on the General Fund during FY 16 and FY 17.
- Treasury representatives met with the Mayor in April 2014.

## City of Wayne

### Significant Actions/Issues

- Projected General Fund deficits in 2014 and beyond.
- Treasury prepared recommendations for the City; delivered in April 2014.
- Treasury representatives met with City officials in May 2014 and will meet again on July 7, 2014.

*Probably have another year. If not, villages don't know will provide technical assistance*

## Wayne County

### Significant Actions/Issues

- Treasury met with County Finance officials on July 1, 2014 to discuss progress on the Deficit Elimination Plan (DEP). The County submitted a revised DEP (approved by the County Commission), which removes the changes to retiree healthcare. The loss of the \$9.2M in savings will be offset by the \$10M anticipated increase in revenue sharing.
- County Treasurer agreed to transfer \$150M from the Delinquent Tax Revolving Fund to the General Fund. Of that \$150M, \$82M has already been transferred and applied to the accumulated deficit, and \$44M has been applied to the operating/structural deficit in accordance with the DEP. The additional \$24M, which was not part of the DEP, will be used to help reduce the accumulated deficit.
- The elimination of the accumulated deficit is dependent upon the transfer of excess funds held in the Delinquent Tax Revolving Fund (described above) and the creation of a Wastewater Authority. The plan to eliminate the operating/structural deficit depends on significant labor costs savings and pension revisions.
- The Treasurer received letters from the law firm of Foster Swift and the Downriver Utility Wastewater Authority on behalf of several communities affected by the Waste Water Authority proposed in the County's DEP. They expressed disagreement with the plan and also questioned the ownership of the assets.
- The County issued a delinquent Tax Anticipation Note (to make local units whole due to property tax delinquencies) of \$248M between June 9, 2014 and June 19, 2014. All funds were distributed to local units by June 27, 2014.
- The County reduced the amount needed to borrow for general operating cash flow purposes from \$100M to \$75M. The Tax Anticipation note was issued on May 28, 2014

and the proceeds were placed in escrow. The County must meet certain conditions before Treasury will approve the release of proceeds, such as providing monthly progress report of collective bargaining negotiations, implementation of the Wastewater Authority, and the receipt of tax revenue.

- The County received \$25M of its general operating cash flow borrowing of May 28, 2014 upon closing. A second draw in the amount of \$25M will be approved by Treasury on July 2, 2014 leaving a balance of \$25M in escrow.

Muskegon Heights Schools -

On track. We be operated by the local  
PSA and they are hiring out. 3 teachers. Signing  
\* w/ ISD.

Benton Harbor budget balanced / everything OK  
Benton Harbor school still on issue. Will do  
a TDA to solve immediate issue.

Joint Schools needs to start 436. Coming ~~on~~ on.

EMERGENCY MANAGER				
Unit of Government	Current Emergency Manager	Initial Appointment Date	Target Exit Date	Notes
City of Allen Park	Joyce Parker	October 26, 2012	September 2014	<ul style="list-style-type: none"> <li>* Sale of Southfield Lease Properties (movie studio) to Time Equities for \$12M expected to close in July 2014.</li> <li>* City is requesting a \$2.7M emergency loan, which will likely be considered by the Emergency Loan Board at a July meeting (TBD). Proceeds would be used to pay the delinquent pension obligation.</li> <li>* Reduce pension liabilities and transfer pension from City to MERS.</li> </ul>
City of Detroit	Keyyn Orr	March 14, 2013	September 2014	<ul style="list-style-type: none"> <li>* Permanent PLA financing of \$1.85M closed on July 2, 2014.</li> <li>* DWSD financing for capital needs of \$150M anticipated to close July/August 2014.</li> </ul>
City of Flint	Darnell Earley	November 28, 2011	April 2015	<ul style="list-style-type: none"> <li>* A \$1.1M state appropriation was received to fund front-line public safety positions (FY 15) in response to the loss of a \$3.4M SAFER grant for police and fire fighter staffing. Otherwise, the lost SAFER grant funds eliminate 19 fire fighters and 36 police officers.</li> <li>* Eliminate annual operating/structural deficit which is projected at \$1.7M for FY 17, and grows to \$11.9M during FY 19.</li> </ul>
City of Hamtramck	Cathy Square	July 1, 2013	September 2014	<ul style="list-style-type: none"> <li>* City requested \$2.1M emergency loan which was approved by the Emergency Loan Board on July 26, 2014. Proceeds will resolve \$2.1M liability to MERS.</li> </ul>
RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)				
Unit of Government	Board Members	Appointment Date	Target Exit Date	Notes
City of Benton Harbor	Cary Vaughn Bret Wilkowski Marvin Raglon Sharon Hunt	March 10, 2014	NA	<ul style="list-style-type: none"> <li>* Former Department of Public Works Director, Darwin Watson was appointed City Manager in February 2014.</li> <li>* FY 15 budget is balanced.</li> </ul>
City of Ecorse	Edward Koryzno Robert Bovitz Joyce Parker	May 1, 2013	NA	<ul style="list-style-type: none"> <li>* George Strand hired as City Administrator in April 2014.</li> <li>* City Council has repeatedly rejected a CGAP grant, which would have saved the City \$1M, offsetting the lost tax settlement revenue.</li> </ul>
City of Pontiac	Edward Koryzno Louis Schimmel Keith Sawdon Robert Burgess	August 19, 2013	NA	<ul style="list-style-type: none"> <li>* In April 2014, Final EM Order amended to create Deputy Mayor position (candidate search underway).</li> <li>* Conclude condemnation litigation process and proceed with budgeted \$2M demolition of Phoenix Center.</li> </ul>

CONSENT AGREEMENT				
Unit of Government	Treasury Representative/Consultant	Date Executed	Term of Consent Agreement	Notes
City of Inkster	Mark Stuhldreher, City Treasurer/Finance Director	February 20, 2012	N/A	<ul style="list-style-type: none"><li>* A study of the Police Department has been completed and is very critical of the Police Chief and the City Administration.</li><li>* Mark Stuhldreher, City Treasurer granted certain Emergency Manager powers in February 2012.</li></ul>
City of River Rouge	N/A (P.A. 72)	December 15, 2009	N/A	<ul style="list-style-type: none"><li>* FY 14 General Fund budget ended the year with a projected \$298K surplus.</li><li>* U.S. Steel annual \$1M tax settlement payment to City expires in FY15.</li></ul>
Royal Oak Township	Robert Burgess	April 21, 2014	October 31, 2017	<ul style="list-style-type: none"><li>* Robert Burgess hired as Deputy Supervisor and Consent Agreement Consultant in May 2014</li><li>* MSP providing police services on a temporary basis while township explores policing options with adjacent local units.</li></ul>
NEUTRAL EVALUATION				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Highland Park	December 2, 2013	January 30, 2014	May 1, 2014	<ul style="list-style-type: none"><li>* Ronald Rose, former Dykema Gossett bankruptcy attorney appointed as Neutral Evaluator in May 2014.</li><li>* Liabilities total \$117.6M of which some of major components are: \$55.3M is debt (includes \$20.7M owed to DWSD), \$17.7M is unfunded pension, and \$26.1M is unfunded OPEB.</li><li>* OPEB costs are paid from General Fund on a pay-as-you-go basis.</li></ul>
P.A. 436 REVIEW				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
City of Lincoln Park	February 10, 2014	April 14, 2014	N/A	<ul style="list-style-type: none"><li>* City Council, twice, failed to accept the negotiated Consent Agreement by the May 23, 2014 statutory deadline.</li><li>* Emergency Manager, Brad Coulter appointed on July 3, 2014.</li></ul>
OTHER COMMUNITIES				
City of Melvindale * City of Taylor * City of Wayne * Wayne County				



## Public Act 436 of 2012 Summary

## SCHOOLS

EMERGENCY MANAGER				
Unit of Government	Emergency Manager	Appointment Date	Target Exit Date	Notes
Detroit Public Schools	Jackie Martin	July 15, 2013	January 2015	<ul style="list-style-type: none"> <li>* Continue to monitor cash flow and budget, E&amp;Y engaged May 2014</li> <li>* FY 14 - 4<sup>th</sup> budget amendment (\$12.7M) deficit fund balance, amount may exceed \$130M.</li> <li>* Aged AP increased to \$84M, ORS delinquencies \$23-\$30M</li> <li>* Developing Exit Strategy</li> <li>* Revised DEP submitted April 15, 2014</li> </ul>
Highland Park School District	Gregory Weatherspoon	October 16, 2013	April 2015	<ul style="list-style-type: none"> <li>* Amended FY 14 budget results (\$433K) deficit, projected FY 15 budget (\$23K) deficit</li> <li>* Leona's (management company) committed for FY 15</li> <li>* Consolidation of buildings to reduce operating costs</li> <li>* DEP approved by MDE (April 2014)</li> </ul>
Muskegon Heights School District	Gregory Weatherspoon	October 16, 2013	April 2015	<ul style="list-style-type: none"> <li>* Amended FY 14 budget balanced and projected FY 15 budget (\$1K) surplus</li> <li>* Mosaica's (management company) agreement terminated effective June 30, 2014</li> <li>* ISD managing business office and Access Point contracted as Professional Employer Organization ("PEO," management of HR, employee benefits, etc.), effective July 1, 2014</li> <li>* Building inspections completed, currently working with LARA to obtain permanent occupancy permits</li> </ul>
CONSENT AGREEMENT				
Unit of Government	Consultant	Appointment Date	Target Exit Date	Notes
School District of City of Pontiac	Donald Weatherspoon	October 15, 2013	September 2015	<ul style="list-style-type: none"> <li>* FY 14 - 2<sup>nd</sup> budget amendment (\$44.6M) deficit fund balance; decrease from (\$51.7M)</li> <li>* FY 15 budget (\$39.7M) deficit fund balance</li> <li>* Compliance/progress with Financial and Operating Plan (December 2013)</li> <li>* Continue to monitor cash flow and enrollment</li> <li>* Aggressive teacher recruitment currently in process</li> <li>* Plan for disposal of 19 surplus properties underway</li> </ul>

UNDER FINANCIAL REVIEW				
Unit of Government	Financial Review Team Appointed	Financial Emergency Declared	Date Option Selected	Notes
Benton Harbor Schools	TBD	TBD	TBD	<ul style="list-style-type: none"> <li>* EIB determined probable financial stress exists on April 28, 2014</li> <li>* District has received two \$2M emergency loans</li> <li>* Working with District to issue TAN mid-July</li> </ul>
SCHOOLS WATCH LIST				
* Covert Public Schools - Flint Community Schools - FY '14 budget amendment \$1.4M fund balance, increase from \$200K in FY '13; FY '15 budget projecting increasing fund balance to \$2.1M * Flint Community Schools - FY '14 budget amendment (\$20.4M) deficit fund balance, increased from (\$10.4M) in FY '13; FY '15 Budget (\$16.6M), revised DEP due by July 31, 2014				



# STATUS OF FINANCIALLY STRESSED LOCAL GOVERNMENTS

May 6, 2014

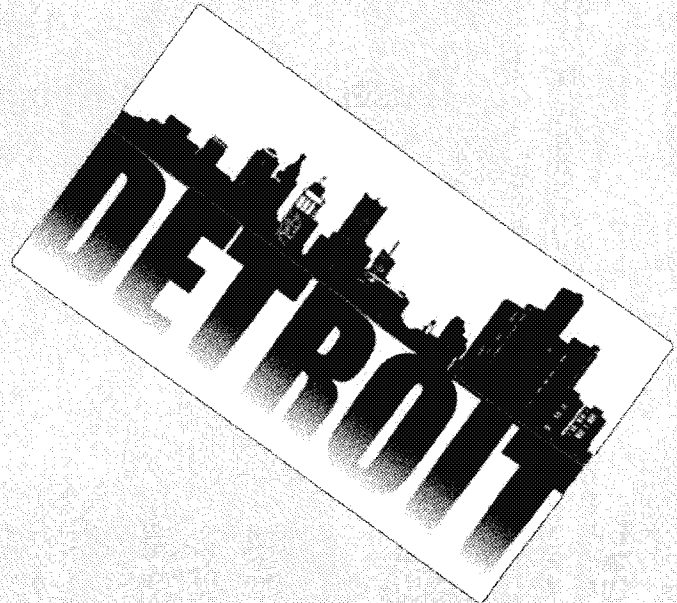
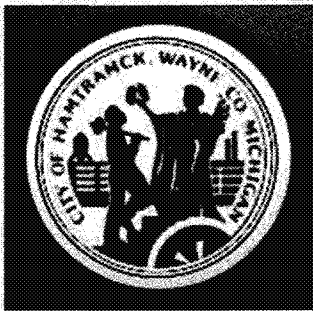
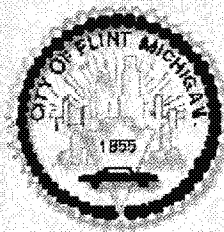
Local Unit Status Report—Michigan Department of  
Treasury

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# EMERGENCY MANAGER

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Four Local Units—Allen Park, Detroit, Flint, Hamtramck



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# ALLEN PARK—Current Status Report as of May 5, 2014

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Joyce Parker, Emergency Manager—Appointed October 25, 2012

## **Significant Actions/Issues**

- 10 year 6.75 mill Public Safety millage approved by voters.
- City Administrator hired.
- City to apply for a \$3.3 million emergency loan to pay debt service on movie studio bonds and to pay outstanding MERS payment.

## **Movie Studio Update**

- Finalize sale of movie studio and surrounding properties to Time Equities for \$12M.

## **Anticipated Exit: September 2014**

- Complete bond tender offer during September 2014.
- Finalize compliance settlement with SEC.
- Implement future reduction of OPEB liabilities.
- Reduce pension liabilities and transfer to MERS.
- Adopt a two year budget including all contractual and employment agreements.

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# DETROIT—Current Status Report as of May 5, 2014

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KEVYN ORR, Emergency Manager—Appointed March 25, 2013

## **Significant Actions/Issues**

- Kevyn Orr filed for Chapter 9 bankruptcy on July 18, 2013 and Federal Judge Rhodes ruled on December 3, 2013 that the City is eligible.
- Kevyn Orr submitted Plan of Adjustment on February 21, 2014.

## **Anticipated Exit: September 2014**

- DWSD establishment of a new authority or privatize.

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# FLINT—Current Status Report as of May 5, 2014

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DARNELL EARLEY, Emergency Manager—Appointed October 6, 2013

## **Significant Actions/Issues**

- Federal District Court Judge granted the Plaintiff's a TRO (six retirees challenged changes the EM made to healthcare coverage): the U.S. Court of Appeals approved the restraining order.
- New Police Chief, James Tolbert, started on September 30, 2013.
- Water Plant placed into full time service.

## **Anticipated Exit: April 2015**

- Reduce Pension and OPEB liabilities.
- Eliminate the City's structural deficit.
- Address the City's unmet capital needs.
- Resolve Public Safety funding as a result of certain federal grants expiring in FY 2015.
- Obtain a favorable decision in lawsuit challenging changes to retiree healthcare.
- Adopt a two year budget including all contractual and employment agreements.
- Monitor completion of Karegnondi Water Authority project
- Complete E & Y Phase II analysis to develop deficit elimination strategy.

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# HAMTRAMCK—Current Status Report

## as of May 5, 2014

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CATHY SQUARE, Emergency Manager—Appointed July 1, 2013

### **Significant Actions/Issues**

- DDA director and CED coordinator employment were terminated and CED Director appointed.
- City Manager's employment was terminated.
- 45 day plan adopted.
- Public Safety contracts renegotiated.
- Contracted out building inspection services.
- Applied for a \$2.1 million emergency loan to resolve equivalent liability to MERS.

### **Anticipated Exit: June 2014**

- Implement healthcare changes for retirees.
- Adopt a two year budget including all contractual and employment agreements.
- Fill City Manager position.

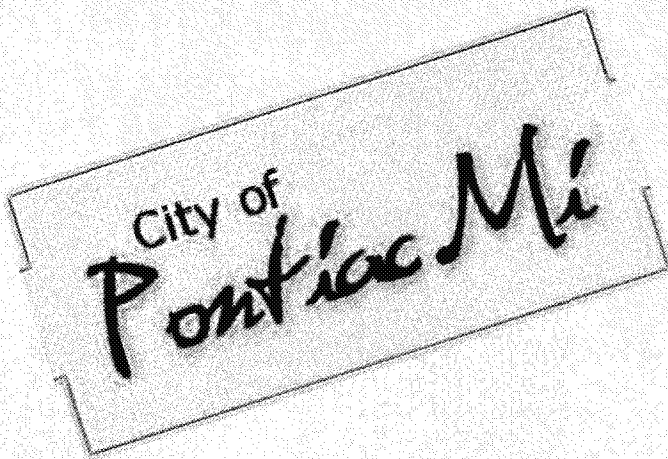


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# RECEIVERSHIP TRANSITION ADVISORY BOARD

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Three Local Units—Benton Harbor, Ecorse, Pontiac



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# BENTON HARBOR—Current Status

## Report as of May 5, 2014

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RECEIVERSHIP TRANSITION ADVISORY BOARD—

ESTABLISHED MARCH 10, 2014

### **Significant Actions/Issues**

- The services of Tony Sanders, Emergency Manager, were terminated March 10, 2014 after notification that the financial emergency had been sufficiently addressed.
- A four person RTAB was appointed March 10, 2014 pursuant to the EM's final order.
- The Board held their initial meeting during April 2014.
- Funded Emergency Loan in the amount of \$2.3M.
- Darwin Watson has been appointed as the new City Manager.

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# ECORSE—Current Status Report as of May 5, 2014

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RECEIVERSHIP TRANSITION ADVISORY BOARD—  
ESTABLISHED MAY 1, 2013

## **Significant Actions/Issues**

- The services of Joyce Parker, Emergency Manager, were terminated on April 30, 2013 after notification that the financial emergency has been sufficiently addressed.
- A three person RTAB was appointed May 1, 2013 pursuant to the EM's final order.
- The Board continues to meet monthly.
- The Board rejected the City's proposed 5 year budget due to projected deficits. The City is submitting a revised budget to the Board at the May 6, 2014 meeting.
- New City Administrator hired.
- Loss of U.S. Steel tax settlement revenue in fiscal year 2015/16.

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# PONTIAC—Current Status Report as of May 5, 2014

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RECEIVERSHIP TRANSITION ADVISORY BOARD—  
ESTABLISHED August 13, 2013

## **Significant Actions/Issues**

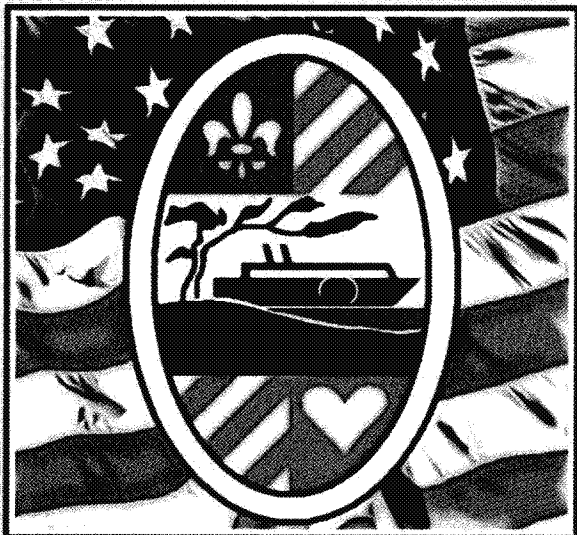
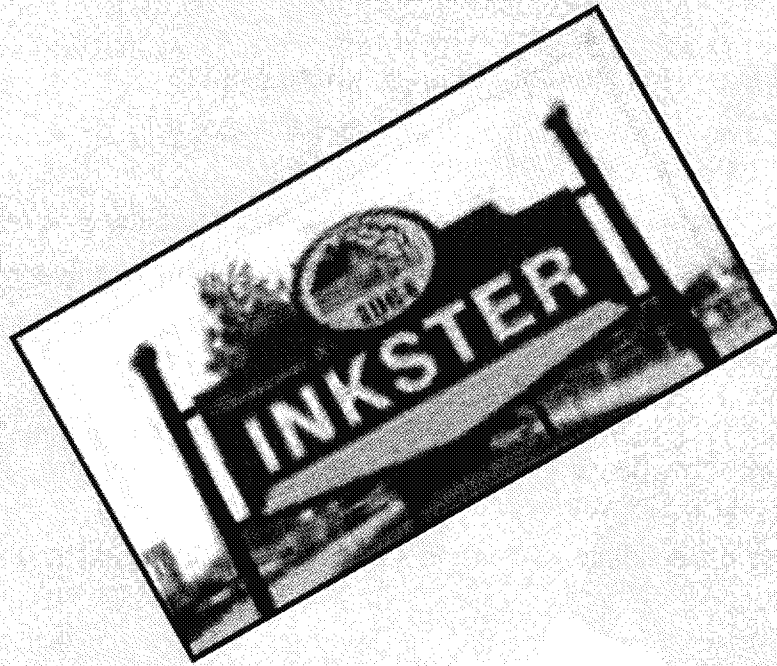
- The services of Lou Schimmel, Emergency Manager, were terminated on August 12, 2013 after notification that the financial emergency has been sufficiently addressed.
- A four person RTAB was appointed August 13, 2013 pursuant to the EM's final order and meets regularly.
- Resolve \$6M annual retiree healthcare obligation/Federal litigation by retirees.
- Proceed with Phoenix Center demolition.
- Resolve litigation of police/fire VEBA.
- Transitioned additional duties to Mayor.
- Appoint Deputy Mayor.

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# CONSENT AGREEMENT

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Three Local Units—Inkster, River Rouge, Royal Oak Township



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# INKSTER—Current Status Report as of May 5, 2014

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CONSENT AGREEMENT—MARK STUHLBREHER—Effective  
February 28, 2012

## **Significant Actions/Issues**

- Mark Stuhldreher, City Treasurer, has been granted certain emergency manager powers.
- Richard Marsh became City Manager on August 19, 2013.
- The City is working to augment police staffing with the Wayne County Sheriff Department and Michigan State Police.
- The City is pursuing membership in the Wayne/Westland Fire Authority.
- Lack of sufficient liability insurance coverage remains a concern.
- Five year financial plan prepared projecting a positive General Fund balance in 2018.
- Complete evaluation of police department.
- Excessive litigation expense and attorney fees report complete. Report shows large expenses were likely a one time occurrence. Both are projected to significantly decrease going forward.
- Complete consolidation of shared services with other communities.

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# RIVER ROUGE—Current Status Report as of May 5, 2014

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CONSENT AGREEMENT—Effective December 15, 2009

## **Significant Actions/Issues**

- Loss of U.S Steel settlement revenue in fiscal year 2015/16.
- The City's budget is narrowly balanced.

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# ROYAL OAK TOWNSHIP—Current

## Status Report as of May 5, 2014

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CONSENT AGREEMENT—Established April 21, 2014

### **Significant Actions/Issues**

- On March 20, 2014, the Governor confirmed his earlier determination that a financial emergency exists.
- On March 25, 2014, the Township selected the Consent Decree option under PA 436.
- On April 21, 2014, a Consent Agreement was approved by the Township.
- State consultant to be appointed by May 30, 2014.
- The Michigan State Police is providing police services to the Township on a temporary basis while Treasury explores policing options with adjacent local units
- Treasury contracted with Rehmann Robson to perform certain financial analyses of the Township. The final report includes a two year cash flow forecast and a five year budget projection.
- Outstanding amount owed to Oakland County for police services from 2013 has been resolved.
- Persistent governance issues among Board Members.



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# PA 436 REVIEW

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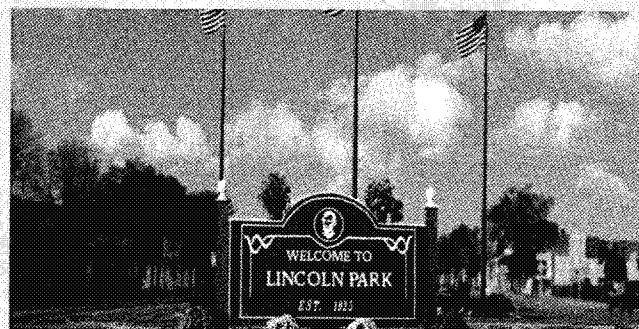
Two Local Units—Highland Park, Lincoln Park

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CITY OF **HIGHLAND**  **PARK MICHIGAN**



*Return to Excellence...*



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# HIGHLAND PARK—Current Status

## Report as of May 5, 2014

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PA 436 REVIEW

### **Significant Actions/Issues**

- On December 2, 2013, the Governor appointed a Financial Review Team.
- On January 30, 2014, the Governor determined a financial emergency exists in the City.
- On April 28, 2014, the Governor confirmed his earlier determination that a financial emergency exists in the City.
- On May 1, 2014, the City selected Neutral Evaluation under PA 436.
- DWSD filed a lawsuit on November 22, 2013 claiming the City owes the utility \$17 million for unpaid water and sewerage charges.
- Demolition of the existing inoperable water plant facilities is necessary.
- All pension assets are projected to be exhausted in less than three years.
- The City's MERS plan is funded at 44%. The Police and Fire legacy plan is funded at 7%. The current Public Safety plan is funded at 57%. Expenses for the Police & Fire Pension Plan are paid from the General Fund per court ordered judgment levy on a pay-as-you-go basis.
- Fifth Third Bank has notified the City that "Event of Defaults" have occurred regarding the Letter of Credit held by the bank. The bank terminated the Letter of Credit; transferred \$7 million in unexpended proceeds; and is seeking to capture pledged state revenue sharing.
- Liabilities total nearly \$95 million; including \$50.1 million of debt; \$18.7 million of Pension UAAL, and; \$26.1 million of OPEB UAAL. OPEB costs are paid from the General Fund on a pay-as-you-go basis.
- The Department contracted with Ernst & Young to perform certain financial analyses of the City. The final report includes a two year cash flow forecast; a five year budget projection; and, an assessment of the water and sewer system, pension, OPEB, and current operations.

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# LINCOLN PARK—Current Status

## Report as of May 5, 2014

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PA 436 REVIEW

### **Significant Actions/Issues**

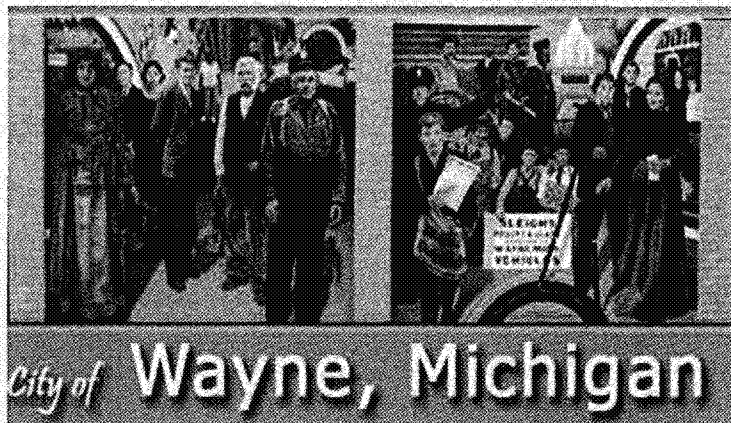
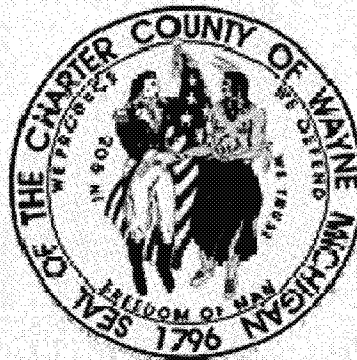
- The City ended its 2013 fiscal year with a deficit of \$89,803 in its General Fund. The City had a positive General Fund balance of \$2 million in the previous year.
- On April 14, 2014, the Governor determined a financial emergency exists in the City.
- On April 23, 2014, the City selected the Consent Decree option under PA 436.
- Negotiation of consent agreement in process. The due date is May 23, 2014.
- The recent study performed by O'Keefe indicates General Fund cash flow will be at or below zero by June 2014.

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# SIGINIFICANTLY STRESSED

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Four Local Units—Melvindale, Taylor, Wayne City, Wayne  
County



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# MELVINDALE—Current Status Report

as of May 5, 2014

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SIGNIFICANTLY STRESSED

## **Significant Actions/Issues**

- The City's unaudited numbers for fiscal year 2013 indicates an increase in the General Fund deficit of \$200,000 after potential audit adjustments.
- The City issues a tax anticipation note every year to address cash flow shortages.
- The City's ice arena continues to operate at a deficit, impacting the General Fund.
- The Department met with City officials to discuss the strategy of addressing the ice arena deficit.

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# TAYLOR—Current Status Report as of

May 5, 2014

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SIGNIFICANTLY STRESSED

## **Significant Actions/Issues**

- The City has a General Fund unrestricted deficit of \$2.2 million.
- The City's General Fund borrowed \$7.5 million from the water and sewer fund in fiscal year 2013.
- City made only 47% of its required annual contribution for OPEB. The unfunded liability is \$232.7 million and continues to grow.
- There are several contingent liabilities that may impact the financial stability of the City including the possibility of subsidizing Brownfield Redevelopment bonds of \$14.26 million.
- A 1996 levy to pay a general obligation bond expires in 2015 potentially resulting in a \$6.2 million drain on the General Fund during 2016 and 2017.
- Treasury met with new mayor during April.

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# WAYNE CITY—Current Status Report as of May 5, 2014

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SIGNIFICANTLY STRESSED

## **Significant Actions/Issues**

- Projected General Fund deficits in 2014 and beyond.
- City requested assistance from Treasury.
- Treasury prepared recommendations for the City, which was delivered during April 2014.
- Treasury has a meeting schedule with City officials on May 13, 2014.

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# WAYNE COUNTY—Current Status

## Report as of May 5, 2014

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SIGNIFICANTLY STRESSED

### **Significant Actions/Issues**

- The County has submitted a deficit elimination plan and the Department has notified the County of its concerns.
- The elimination of the accumulated deficit is dependent upon the transfer of excess funds in the Delinquent Tax Revolving Fund, the creation of a Waste Water Authority, and significant labor cost savings.
- The County has applied for a short term tax anticipation note in the amount of \$100 million to address its cash flow shortages.
- The Department will issue an approval of the application for borrowing on May 7, 2014. The approval is subject to the proceeds being placed in an escrow account and the County meeting certain conditions before a draw from the proceeds is released.





STATE OF MICHIGAN  
DEPARTMENT OF TREASURY

RICK SNYDER  
GOVERNOR

ANDY DILLON  
STATE TREASURER

**DATE:** February 8, 2013

**TO:** Governor Rick Snyder

**FROM:** Andy Dillon, State Treasurer

**SUBJECT:** Status of Financially Distressed Local Governments

## JANUARY

## DECEMBER

	Cities	Schools	Total	Cities	Schools	Total
EM/EFM	5	3	8	5	3	8
Consent Agreement	3	0	3	3	0	3
Watch List	7	2	9	6	2	8

Per your request, this memorandum summarizes the status of selected financially distressed units of local government. The following units of local government now are subject to Public Act 72 of 1990, the Local Government Fiscal Responsibility Act.

## GENERAL ISSUES

Cities Close to an Exit by EFM:

- Ecorse – While most of the financial issues are resolved, the City Council without the State's involvement, has the authority, through practice and a loosely worded city charter, to meddle in the day-to-day operations of the City, including supervising staff and setting their pay. Efforts to obtain an Inter Local Agreement have been frustrated by the unwillingness of a majority of Council to see the need for the oversight contemplated by the ILA. While we continue to work on a compromise, worst case is that we will impose a transition advisory board (TAB) under PA 436 in late March.
- Pontiac – As explained below, Mr. Schimmel has a short list of projects to complete before he leaves this summer. Imposition of a TAB will be recommended.

Retiree Health Care – In most of the EFM cities, and certainly in those cities that are struggling but not yet in receivership, the cost of promised retiree health care is a major concern. In Pontiac and Flint where changes in retiree health care were imposed under PA 4, lawsuits are pending leaving the effects of those changes uncertain. In Pontiac, the annual liability is about \$6.0 million, which is also the amount of the City's current annual operating deficit. Allen Park's annual liability is approxi-

mately \$2.5 million and Flint's is nearly \$20 million, half of which is in the general fund. While Flint and Pontiac have each taken steps to reduce the annual expense of the health coverage the retirees enjoy, those changes are being challenged. In most of our EFM cities, this issue is a difficult obstruction to fiscal balance. Pontiac, our most extreme case, currently has 52 current employees in the health care system compared to approximately 1200 retirees receiving health care. Treasury is working to develop a standard process to use when addressing retiree health care spending.

Law Enforcement – Based on the recent meeting with the Michigan State Police, it has become clear that increased coordination between Treasury and MSP is necessary. This is especially true in cities such as Flint and Detroit, where the City is both under some level of Treasury supervision and also has increased MSP presence. Treasury will initiate these discussions.

## EMERGENCY MANAGER – Cities

### City of Allen Park



- Update: Joyce Parker was appointed Emergency Financial Manager by the Emergency Loan Board on October 25, 2012, with duties beginning October 29. She also serves, part-time, as the Emergency Financial Manager for the City of Ecorse.
- For fiscal year ending June 30, 2012, the City had an operating surplus of \$2,973,862, or 18% of general fund revenues of \$16,202,731. However, when transfers out of the general fund are taken into account, the financial picture is much worse. The City transferred \$4.7 million (net of transfers in) from the general fund, including a \$2.4 million transfer associated with studio debt and a \$2.5 million transfer to cover retirement health care. Based on these numbers, the City's unrestricted accumulated general fund deficit is \$1,090,225 or 6.7% of revenues.
- In the audit for fiscal year ending June 30, 2012, the City's audit firm expressed doubts of the City's ability to continue as a going concern.
- The EFM has submitted an application for an emergency loan. The Department is reviewing the application to assure the City's request is consistent with their financial needs, but Treasury is not inclined to approve the loan until other options have been explored.
- A two year operating millage was on the November 6 ballot, which was for four mills and was defeated. Treasury is exploring the potential to restructure the studio debt. The EFM has listed the movie studio property for sale and is preparing a detailed Deficit Elimination Plan. The City's financial distress is exacerbated by the minimum staffing requirements contained in the public safety collective bargaining agreements and the cost of retiree health care.

- **The Road Out:** With our recent entrance into Allen Park, several general strategies are in play. As noted above, the budget is in deficit primarily because of the movie studio debt and the retiree health care obligations. However, labor contracts have minimum manning provisions that need to be resolved, and there are several areas of ongoing expense that can be reduced. Among other things, the EFM's draft deficit elimination plan also includes personnel reductions (including police and fire), wage reductions, pension plan changes, active and retiree health care changes, reduction in sick days and holiday pay-outs, and revenue enhancements for rubbish and lights. Ms. Parker believes that it may be possible to balance these financial issues short of bankruptcy. However, that option is also being explored.

#### City of Benton Harbor



- Joe Harris was appointed Emergency Financial Manager on August 8, 2012. He was first appointed Emergency Financial Manager on April 1, 2010. The Emergency Loan Board terminated Mr. Harris' contract effective January 31, 2013 and appointed Mr. Tony R. Saunders II as the new EFM effective February 1, 2013. Prior to taking this appointment, Mr. Saunders worked on the staff of City Council Members in Detroit and, for the last year, has been assisting the City of Highland Park on behalf of the Department of Treasury.
- For the fiscal year ending June 30, 2012, Benton Harbor had an operating shortfall of \$1,125,798, exceeding general fund revenues of \$6,555,653 by 17%. The unrestricted accumulated general fund deficit is \$2,285,483 or 34% of general fund revenues. The unrestricted deficit increased slightly over 2011 by approximately \$56,000.
- The previous Emergency Financial Manager submitted an application for an emergency loan in the amount of \$3,900,000. Along with the application, the previous EFM included an updated deficit elimination plan, FY 2013 budget, a cash flow statement, and an accounts payable listing. Based on these reports, the City will experience a cash shortage in the general fund by April 2013 and has outstanding payables, as of December 31, 2012, of \$2.6 million. The Department has asked the incoming EFM to review the financial data to determine if the amount of the loan request is appropriate.
- Update: All City issues on the November 6 ballot were defeated including a charter amendment to restructure Council's reporting relationships with staff. A 10 mill operating levy that expired in 2011 was defeated, as was a proposed 2.0694 mill Headlee override. Absence of these revenues would mean the \$1.4 million reduction in annual revenues which began in July, 2012, will continue for the cash strapped City. In response to this shortfall the EFM approved, with City commission support, a 10 mill special assessment Public Safety millage which was levied with the winter taxes. It is expected that another effort will be made in the coming months to obtain approval of the 10 mill operating levy that would replace the special assessment.
- **The Road Out:** Mr. Saunders will review all City operational expenses in an effort to rationalize annual expenses and eliminate deficit spending. The large amount of accounts payable

is a near-term focus. The water plant is a major liability, particularly since users in Benton and St. Joseph Townships have withdrawn from the system due to ongoing political and financial management concerns. The City charter needs to be updated, the performance of City Council needs to be improved, and ongoing liabilities for retiree health care are also an issue. Treasury had anticipated that withdrawal from the City would be a near-term possibility if charter issues could be overcome. However, these recent revenue issues and the demise of the water system customer base, make a near-term exit more challenging. The new EM understands our desire to make our exit as soon as possible.

#### City of Ecorse



- Joyce Parker was appointed Emergency Financial Manager on August 8, 2012 by the Emergency Loan Board. She was first appointed Emergency Financial Manager on October 30, 2009. She continues to serve Ecorse on a part-time basis while she also serves as Emergency Financial Manager for the City of Allen Park.
- City Council is cool toward an interlocal agreement proposed by Treasury that would create an advisory board under the Urban Cooperation Act, PA 7 of 1967 (Ex. Session) and create a seamless transition process away from an EFM, allowing Ms. Parker to end her service there. A majority of Council believe such an advisory board is unnecessary. Treasury staff is redrafting the ILA to address some of the suggestions made by Council. After AG review, the revised agreement will be reviewed with the Council.
- For the fiscal year ending June 30, 2012 the City had a general fund balance of \$2,419,220 or 18.8% of general fund revenues of \$12,904,604 and experienced an operating surplus for the first time in several years.
- The Emergency Financial Manager's assignment is essentially complete and she is working part-time.
- The Road Out: The work of the EFM is essentially done. The remaining concern is with the City Council and the City charter language which allows substantial day-to-day involvement of the City Council. Discussions continue on an interlocal agreement to establish a Transition Advisory Board, as explained above. If this voluntary approach is not successful, a TAB can be imposed with the advent of PA 436 in late March.

#### City of Flint



- Edward Kurtz was appointed Emergency Financial Manager on August 8, 2012 by the Emergency Loan Board. He succeeded Mike Brown who was appointed Emergency Manager on November 29, 2011. The Emergency Financial Manager is anticipated to be in Flint for more than one year. Mr. Kurtz is taking a minimal salary as EFM, while Mike Brown now works as City Administrator, appointed by Mr. Kurtz. It is assumed that Mike Brown will be reappointed as EM in late March, and that Mr. Kurtz will be retained until June to consult with the City on the FY 2014 budget.

- For fiscal year ending June 30, 2012, the City incurred a general fund operating shortfall of \$10,169,828 exceeding general fund revenues of \$51,497,686 by 20%. This resulted in an unrestricted accumulated general fund deficit of \$19,184,850, which is 37% of general fund revenues.
- Update: The City of Flint has been participating with Genesee County on the feasibility of the City's use of a planned water pipe line from Lake Erie that would serve a large portion of Genesee County as an alternative to water supplied by DWSD. An engineering firm selected by Treasury to conduct an independent evaluation of Flint's choices for water supply presented their findings on December 18<sup>th</sup>. This is a critical long-term decision for Flint and the region. The economics show that but for the excess cost of DWSD water during the three year period of the Karegnondi Water Authority (KWA) pipeline construction, the City will be benefitted by lower water costs in the long term by using the KWA water and treating the water in Flint at their own, existing, water treatment plant. A recent proposal shows that with cooperative efforts with the County, those excess costs can be minimized.
- The Budget for the current fiscal year encompasses both revenue increases and expenditure reductions in an effort to achieve a balanced budget. For example, the budget includes assessments for waste collection, for the operation, maintenance, and improvement of street lights, and a 25 percent increase in water and sewer rates. Voters overwhelmingly approved a 6 mill public safety millage in November that will substantially improve the FY 14 budget. On the expenditure reduction side, the budget reduces the City's workforce by 150 positions (20 percent), and includes employee concessions and a restructuring of employee health care benefits. Retiree health care has been eliminated for future employees. Litigation is pending in federal court to preclude changes to retiree health care. The Emergency Financial Manager estimates that retiree health care costs will increase by \$3.5 million during the current fiscal year if he is prevented from implementing the planned changes.
- The City has recently submitted a five year deficit elimination plan that anticipates submittal of an emergency loan application of \$12 million to address the accumulated deficit. The remainder of the unrestricted accumulated general fund deficit will be eliminated through \$7.1 million in reductions. The City has not yet identified specific cuts but will do so as it works through the development of its fiscal year 2014 budget. The Department is assisting the City with the identification of possible reductions.
- The City's plan to contract for the first time with a private contractor to provide solid waste removal and recycling services was delayed because of an Unfair Labor Practice (ULP) filed by AFSCME. The union presented an alternate plan, which the EFM evaluated and deemed economically unsatisfactory. The City is required to meet with the union to discuss the impacts of the proposed change. The anticipated savings from this initiative is \$1 million and the contractor is willing to hire former Flint employees who previously performed this service.

- The Road Out: This is the first year of the EFM's balanced budget and they are currently on track with the budget. Major remaining issues are resolving public safety staffing and effectiveness; establishing new and cooperative approaches to water and sewer services; funding and maintaining infrastructure; defining and sustaining blight eradication strategies; funding OPEB liabilities.

#### City of Pontiac



- Lou Schimmel was appointed Emergency Financial Manager by the Emergency Loan Board on August 8, 2012. He was first appointed Emergency Manager on October 6, 2011. The Emergency Financial Manager is anticipated to complete his work by mid-2013, but a viable oversight mechanism, such as a Transition Advisory Board (TAB) under PA 436 of 2012, will be necessary for this to happen.
- For fiscal year ending June 30, 2012, the City had an operating shortfall of \$1,249,049 exceeding general fund revenues of \$38,709,018 by 3%. This resulted in an unrestricted accumulated general fund deficit of \$4,748,117 or 12% of general fund revenues. For fiscal year 2013, the City's financial position will benefit from the transfer of the Pontiac Wastewater Treatment Plant. From the assets received, \$8.4 million was used to pay off a loan to the general fund from the water/sewer fund; \$6 million was used for retiree healthcare bringing the 2013 budget into balance; \$3.4 million will be applied to the accumulated deficit from fiscal year 2012.
- The EFM reports that FY2014 would be balanced except for the \$6.0 million required for health care costs associated with retired non-public safety employees, and those who are still active employees. Retired public safety employees (there are no active Pontiac public safety employees) are covered by an existing VEBA.
- The Emergency Financial Manager continues to minimize the number of unused vacant properties in the City that are city-owned. The demolition of the Phoenix Center and sale of land project remains on hold after Oakland County Circuit Court Judge Michael Warren issued an injunction barring the City from demolishing the Phoenix Center. Settlement negotiations are proceeding.
- The announced partnership with Oakland County for a restructuring of the ownership of the Pontiac Wastewater Treatment Plant is essentially complete. The capitalization of assets created by the transfer generated approximately \$55 million, which was used to reduce bond debt related to Fiscal Stabilization bonds, Water Supply system, Sewage Disposal system, and Building Authority. The transaction has dramatically improved the City's cash position while also eliminating most of the City's outstanding debt, and preserving a reasonable fund for infrastructure maintenance within the City. It is also projected that Pontiac users of the system will enjoy significant reductions in their costs for sewer services in future years.

- Update: The EFM continues to reduce general fund expenses. He has successfully negotiated cost reductions with the City's waste pickup contractor; secured agreement from, the Chief Judge to control the City's subsidy to the 50th District Court by having the Court process its own employee payroll and pay court employees out of its own account instead of the City's general fund account; and he contracted out all remaining DPW services including the snow plowing of major streets with the Oakland County Road Commission.
- The Road Out: Mr. Schimmel expects to leave this summer and strongly supports the use of a transition advisory board. His list of tasks remaining are: Phoenix Center Demolition; sale of DPW building to Consumers Energy; auction of surplus stuff; provide for the redevelopment of the Hayes Jones Community Center; sale of various properties, including golf course; and substantially reduce the \$6.0 million annual deficit related to retiree health care.

## EMERGENCY MANAGER - SCHOOLS

### Detroit Public Schools



- Roy Roberts was appointed Emergency Manager on May 16, 2011 and Emergency Financial Manager on August 8, 2012.
- For fiscal year ending June 30, 2012, the District incurred a general fund operating shortfall of \$41,865,408 exceeding general fund revenues of \$892,452,098 by 4%. This resulted in an unrestricted accumulated general fund deficit of \$83,465,550, which is 9% of general fund revenues. The deficit was significantly reduced by issuance of long-term debt.
- A second \$6 million State aid note transaction closed on February 1<sup>st</sup> to assist in covering the costs associated with the transfer of DPS schools to the Education Achievement Authority (EAA). The note will mature on July 22, 2013.
- Treasury staff has begun meeting with the EAA to gain not only a better understanding of the EAA's financial & cash situation but how those risks may impact DPS's financial situation. This effort will focus initially on the impact of possible additional school transfers to the EAA (with the loss of enrollment to DPS), the transition of Title I funds, & the "lease – management" MOU between the EAA & DPS. (Concerning the latter item, the \$10 million EAA obligation may not be paid when due this August. While this may not have an accounting impact it would impact DPS's cash flow.)

### Highland Park Schools



- Update: Don Weatherspoon was appointed Emergency Financial Manager on October 29, 2012.

- The District has not filed its financial audit for its fiscal year ending June 30, 2012 which was due November 15<sup>th</sup>. The audit is taking longer than expected due to the lack of sufficient record keeping and staff continuity. We have been advised the audit should be complete in the next two weeks
- On August 16, the Emergency Loan Board approved an emergency loan for the School District in the amount of \$4.41 million in order for the School District to repay its August 2011 State aid note and meet other short-term expenses. To date, the District has drawn \$3.98 million of the loan proceeds.
- On January 18<sup>th</sup>, the Emergency Loan Board approved a 2<sup>nd</sup> emergency loan for the School District in the amount of \$3.0 million. The issuance of a second emergency loan was anticipated as the first loan was used primarily to repay the District's outstanding State Aid Note in order to avoid a default. The proceeds of the second emergency loan will be used to pay critical vendors and it is expected the EFM would obtain vendor discounts in exchange for quick payment.
- It is anticipated the role of the Emergency Financial Manager will be greatly reduced in the next 12-18 months as prior liabilities are settled and processes are put in place to manage current operations including oversight of the charter school system.

#### Muskegon Heights Public Schools



- Don Weatherspoon was appointed Emergency Financial Manager on August 8, 2012.
- The District has not filed its financial audit report for fiscal year ending June 30, 2012 which was due November 15<sup>th</sup>. The audit is taking longer than expected due to the lack of sufficient record keeping and staff continuity. We have been advised the audit should be complete in the next two weeks.
- On August 16, the Emergency Loan Board approved an emergency loan for the School District in the amount of \$7.6 million in order for the School District to repay its August 2011 State aid note and meet other short-term expenses. To date, the District has drawn all of the loan proceeds.
- On January 18<sup>th</sup>, the Emergency Loan Board approved a 2<sup>nd</sup> emergency loan for the School District in the amount of \$3.5 million. The issuance of a second emergency loan was anticipated as the first loan was used primarily to repay the District's outstanding State Aid Note in order to avoid a default. The proceeds of the second emergency loan will be used to pay critical vendors and it is expected the EFM would obtain vendor discounts in exchange for quick payment.



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- It is anticipated the role of the Emergency Financial Manager will be greatly reduced in the next 12-18 months as prior liabilities are settled and processes are put in place to manage current operations including oversight of the charter school system.

## CONSENT AGREEMENT - CITIES

### City of Detroit



- For fiscal year ending June 30, 2012, the City had an operating surplus of \$105,842,769. However, when transfers out of the general fund are taken into account, the City's financial position is much worse. The City transferred \$236,542,790 with the largest transfer going to the transportation fund for \$87.2 million, \$61.2 million to the debt service fund, and \$80.9 million for interest payments on the pension obligation certificates. This resulted in an unrestricted accumulated deficit of \$327,956,700 or 30% of general fund revenues of \$1,100,342,313.
- Update: The cash position of the City has continued to deteriorate through the first half of the 2013 fiscal year. After the City's projection of its cash position at the June 30, 2013 year end deteriorated over \$60 million over the course of three months (roughly September – November), a renewed emphasis was placed on cash preservation (discussed further below). Absent any further actions, current City projections indicate a negative cash position of roughly \$110 million at the June 30 year end. In the past, the City has temporarily “managed” negative cash by postponing property tax distributions to debt service funds and other taxing jurisdictions.
- Update: The plan developed by the City and its advisors, with input from Treasury, includes measures that are estimated to net approximately \$117 million in improvements by June 30. This includes roughly \$33 million of changes that result in permanent savings, \$63 million of short term cash opportunities (including many items that simply defer payments), and release of \$20 million in escrow proceeds currently controlled by Treasury. Included among the “permanent savings” are employee furloughs, headcount reductions, suspension of pension accrual (non-union employees), health care premium sharing increased to 30% (non-union employees), vendor cuts, and increase of fees. If implemented on a timely basis, these countermeasures should allow the City to maintain a positive cash position through the end of the year.
- Update: The City is in substantial compliance with the terms of the Milestone Agreement negotiated to control the terms of withdrawal of escrowed funds. This gives the City access to an additional \$20 million for which the draw request was received today. The Treasurer has indicated the desire to maintain a \$50 million reserve, which means that further draws are unlikely.
- Update: The operational and restructuring firms have all had contracts approved by City Council and have begun work. On February 1, a first draft of the 5 year plan for the City was presented to the Review Team. The plan would eliminate the deficit within 5 years

by significantly lowering employee costs. Changes include a reduction of an additional 500 FTEs, freezing all pension vesting for one year, moving all employees to a defined contribution plan after that, and capping health care expenditures at \$125 million a year (compared to a current spend of roughly \$190 million). Other potential savings being considered include additional headcount reductions/furloughs, asset sales, debt restructuring, and revenues.

- Update: The Financial Review Team appointed under PA 72 continues its work. The report is due to the Governor on February 16 and there are no plans to ask for an extension as of this date.
- Update: After City Council once again failed to approve the State lease for Belle Isle, Mayor Bing announced the closure of 50 parks and reductions to recreation operations to make up for the foregone cost savings the lease would have provided.

#### City of Inkster



- The City of Inkster operates under a Consent Agreement which was implemented effective February 28, 2012.
- For fiscal year ending June 30, 2012, the City had a general fund operating shortfall of \$3,171,524 or 19% of general fund revenues of \$15,859,971. The FY12 shortfall increased the City's general fund unrestricted accumulated deficit to \$3,604,783 or 22% of general fund revenues.
- For FY13, the City reduced staffing by 20% and made other expenditure reductions. Current budget forecasts suggest a year end deficit of \$1.7 million, consistent with the DEP. The City's deficit elimination plan anticipates the FY14 budget will be balanced. Staff from OFR regularly visit with Inkster and finds them holding their own.

#### City of River Rouge



- The City of River Rouge operates under a consent agreement which was implemented effective December 15, 2009.
- For fiscal year ending June 30, 2012, the City had a general fund operating surplus of \$1,302,690 or 11% of general fund revenues of \$11,989,601. The surplus has reduced the unrestricted accumulated general fund deficit to \$1,039,067 or 8.6% of general fund revenues of \$11,989,601. The 2012 accumulated deficit is approximately half of the previous year's deficit so progress is evident. However, the 2012 operating surplus is a result of the receipt of approximately \$1.9 million in legal settlements. Had the legal settlements not occurred, the 2012 accumulated deficit would be an estimated \$2,900,000. OFR staff visits with River Rouge and feels comfortable that their ongoing efforts to reduce costs, such as the recent implementation of a public safety officer model for combined police

and fire services will help the City achieve its FY14 budget objective of balanced revenues and expenditures.

## LOCAL UNITS OF INTEREST

### City of Hamtramck



- For fiscal year ending June 30, 2012, the City had a general fund operating shortfall of \$3,303,385 which is 22% of general fund revenues of \$14,827,148. This deficit eliminated the general fund balance and resulted in an unrestricted accumulated deficit of \$753,733 or 5% of general fund revenues. The cause of the imbalance was the result of the loss of revenue due to the expiration of the Poletown tax increment financing agreement and the failure of the City to reduce its expenditures accordingly.
- The City has submitted an application for an emergency loan for \$3 million. The Department is reviewing the application to determine if the City qualifies. In addition to the emergency loan, the City is pursuing the issuance of a tax anticipation note to address its cash shortage expected to occur in March 2013.
- Late last year, the City Council voted to request a financial review by the State. Prior to initiating the requested review, Treasury asked for and the City has submitted a deficit elimination plan (DEP). The plan relies heavily on the receipt of an emergency loan, an increase in rental inspection fees, and an increase in traffic violation revenues. Given the inadequacy of the DEP, Treasury is initiating a preliminary review on Monday, February 11.

### City of Highland Park<sup>1</sup>



- For fiscal year ending June 30, 2012, the City had a general fund operating surplus of \$1,293,462 or 12% of general fund revenues of \$10,718,332. This increased the City's unrestricted general fund balance to \$2,199,762 or 20% of general fund revenues. The positive fund balance is a result of the restatement of accrued state revenue from the fiscal year 2011 financial statements and, in large part, the forgiveness of a \$4 million payable due to DTE in 2011.
- The City's updated general fund projections indicate the City will reach a deficit situation during FY 2018. Should the City resolve the financial issues related to the Water system the

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<sup>1</sup> Several EFM's have been appointed in Highland Park. While the financial emergency in the City remains in effect, no replacement EFM has been appointed. Treasury is working with the Mayor and Council, without an EFM appointment, to get the City out of the business of providing public services.

2018 date could be extended. Office of Fiscal Responsibility staff is working with local officials to develop and implement cost savings.

- Update: The Mayor has announced the City's intent to discontinue using their water treatment plant after attempting to implement MDEQ mandated improvements to the plant. Initial improvements were estimated at \$340,000, but escalated to an estimated \$5.9 million after valves and other essential parts of the system were found to be inoperable. The estimated cost to demolish the facility is \$3.6 million. Currently, the City is purchasing water from DWSD. Negotiations continue between the City and DWSD with the intent of DWSD operating the City's utility systems. One challenge to finalizing this arrangement is the \$8 million the City owes DWSD for sewage treatment. Treasury and City officials expect a proposal from DWSD which contains the prerequisites for a cooperative venture to proceed and also addresses the amortization of the City's sewer debt to the DWSD.
- On January 4, 2013, a Quo Warranto request to have Mayor DeAndre Windom, City Council President Chris Woodard, and City Councilman Rodney Patrick removed from office was dismissed. The request is based on the allegation that their oaths of office were not filed in a timely fashion, and that each of these individuals is "in default" to the City, which, under the City Charter, would preclude them from holding office.
- The Road Out: Highland Park's broken water system needs multiple strategies for resolution. DWSD is the major focus here for delivery of treated water and administration of water and sewer bills. The City's existing water treatment facilities are in need of demolition, which will be expensive. In addition to typical OPEB liabilities, H.P. also has a major, bank-funded debt because of a court order related to delinquent payments to police pension funds. That debt will need restructuring in the next 24 months. The continuing effort to minimize the services the City provides makes the City a prime candidate for participation in regional public safety.

The following units of local government are not currently subject to Public Act 72 of 1990, the Local Government Fiscal Responsibility Act:

#### Royal Oak Township



- The township had an operating deficit of \$132,358 and an unrestricted general fund balance of a negative \$34,821 at year end 2011. The unrestricted deficit was 3.6% of general fund revenues. However, the operating deficit is 14% of general fund revenues. The unrestricted deficit decreased significantly from 2010 to 2011; a negative \$284,416 in 2010 to a negative \$34,821. This appears to be related, in part to a 2011 interfund transfer between the Parks and Recreation Fund (dedicated millage) and the Senior /Transportation fund. There is no money budgeted to repay the loan. There is also a loan with a local bank that was not obtained in accordance with regulations, as well as accusations of credit card misuse. A new Supervisor, Clerk, and Treasurer were elected in November and the Treasurer contacted Treasury for assistance. Staff from the Office of Fiscal Responsibility has met with the new Treasurer, in response to her request as well

as the new Clerk. Staff is continuing its discussions with both individuals to assist in improving the Township's financial practices.

#### City of Taylor



- For fiscal year ending June 30, 2012, the City had a general fund operating shortfall of \$3,905,004 exceeding general fund revenues of \$40,444,430 by 9.6%. This excessive spending eliminated the prior year general fund balance and resulted in a general fund unrestricted accumulated deficit of \$5,359,732. The general fund borrowed \$2 million from the water and sewer funds with no apparent commitment for repayment within a prescribed time period.
- The City fell short of its deficit elimination projections by a minimum of \$1.0 million. The majority of this can be attributed to Public Safety, which exceeded its budget expenditures by \$881,610. Consequently, the City has submitted an updated deficit elimination plan. Staff is reviewing the updated plan to determine if it is reasonable and achievable and will require the City to submit monthly reports to monitor its adherence to the new plan
- The relationship between the Mayor and City Council remains contentious. Rather than work together to solve the City's fiscal dilemmas, the City Council tends to make emotional decisions that seem intended to confront the Mayor. Sometimes, those decisions result in further aggravation of the City's financial condition.

#### County of Wayne



- Because the County's fiscal year corresponds to the calendar year, current audited financial results are not yet available for FY2012. Based on recent unaudited financial data provided by the County for its 2012 fiscal year, it appears the County will have an increase in the general fund deficit of \$21 million, for an accumulated total deficit of \$148 million.
- A revised deficit elimination plan has been submitted. Staff is working with the County to resolve several issues within the plan such as the transfer of assets from other funds and unsupported reductions to eliminate the general fund deficit.
- Update: Phase II of the State's consulting engagement contract with Pierce, Monroe & Associates to examine the funds of elected officials and other select departments is expected to be completed by the February deadline. The examination of the substantial balance amount in the Treasurer's Delinquent Tax Revolving Fund should also be completed by February. Anticipated future County borrowing, if any, will be conditioned to require changes in the financial behavior within County government. Treasury remains very concerned about the probability of jail construction cost overruns.

## SCHOOL DISTRICTS OF INTEREST

### Benton Harbor Area Schools



- On September 17, the Emergency Loan Board approved an emergency loan for the School District in the amount of \$2.0 million to assist the District in making payroll and meeting other short term obligations. The note proceeds have been escrowed and are being released upon approval from the Treasurer. While the district had originally indicated a desire for a larger emergency loan, Treasury agreed to the smaller number, with the option to renew the discussion once the district could demonstrate that the budget was in structural balance. As of late January, the District is in compliance with loan reporting requirements. Roughly \$100,000 of loan proceeds remains in escrow.
- The District has made substantial progress toward bringing expenses in line with revenues. This includes contracting out services, closing buildings, and negotiating employee savings. Despite these actions, it is still unclear that the budget has been brought to structural balance. The Michigan Department of Education is currently reviewing the newest deficit elimination plan, in consultation with Treasury.
- On January 31<sup>st</sup>, the District submitted a request for a second emergency loan in the amount of \$4.0 million to pay aged payables. The application is currently being reviewed, however current projections reviewed by Treasury show that the District can survive on a cash basis through the end of the school year, but this may leave Accounts Payable in an untenable situation, with the risk of critical vendors discontinuing service. Treasury is currently working with the District on options for tax anticipation notes (which the district has utilized in previous years) and potentially a second emergency loan. As noted previously, a second emergency loan is predicated upon this being the last step toward a structurally balanced budget.
- A preliminary review completed on December 20, 2011 by the Michigan Department of Education found probable financial stress in the District. However, based on actions taken by the District to reduce costs, the State Superintendent of Public Instruction did not recommend appointment of a Review Team
- The School District closed FY 12 with a general fund deficit of \$16.1 million on total revenues of \$31.9 million. For FY 13 revenues are expected to decrease more than \$2 million.
- The District borrowed \$9.8 million through the Michigan Finance Authority's August 2012 SAN program. This represents 62.5% of their projected FY13 state school aid. The statutory maximum borrowing amount is 70% of state school aid.

### Inkster Schools



- The District's pupil count dropped from 3,173 in 2010 to 2,294 for the current year; a 27% drop in enrollment.
- The District's deficit was \$9.3 million in 2010 increasing to \$12.8 million in 2012.
- The District borrowed \$12.3 million in August 2012 for cash flow purposes; the note matures August 20, 2013. An emergency loan would be needed before August 20 in order to repay the note and avoid a default; however, in the interim, approximately \$103,000 of state school aid will be intercepted each month (February – July) to offset the outstanding balance on the note.
- Updated cash flows were received on January 31st and it still appears the District can operate through June although payables have grown from a little over \$1 million to \$2.7 million.
- The District submitted its board approved deficit elimination plan to MDE on January 21st which outlines a K-8 District with a potential charter of the high school effective July 1<sup>st</sup>. We will work with MDE to review the plan, however we have noted the following:
  - The plan does not cash flow and fails to take into account repayment of the outstanding state aid note resulting in a \$7 + million cash shortfall in August.
  - The proposed DEP does not eliminate the GF deficit until sometime after 2017, likely not until 2021.
  - The plan assumes all the current K-8 students will remain in the District.
- Discussions have been held with MDE regarding initiating a preliminary review under P.A 72 and a meeting is being has been scheduled next week for February 13<sup>th</sup> with Dennis Muchmore to discuss options.

## LITIGATION SUMMARY

1. *AFSCME 25, et al v Governor, et al.* This action was filed in United States District Court (Eastern District). The claim is that modifications by the Emergency Manager for Detroit Public Schools to collective bargaining agreements violated various constitutional provisions (e.g., the Contracts Clause and Takings Clause).

Status: Cross motions for summary disposition were pending. A motion hearing was held on November 1, 2012, and the Court took the matter under advisement.

2. *Bland v Brown, Kurtz, et al.* This action was filed in Genesee County Circuit Court. This is an action for declaratory and injunctive relief and mandamus. The claim is that the Emergency Manager transferred the assets of the Flint Retirement System to the Municipal Employees Retirement System of Michigan (MERS) in violation of Act 4. Section 19(1)(m)(iii) of the Act authorizes such a transfer provided the recipient pension fund is actuarially funded at a level of 80 percent or more. The claim is that MERS as of December 31, 2010 was funded at only 76 percent.

Status: A pre-trial conference was held the last week of October 2012.

3. *Brown v Snyder.* This action was filed in Ingham County Circuit Court. The claim is that Act 4 is unconstitutional, facially and as applied. The State sought a protective order in regards to discovery which the trial court denied. On appeal, the Court of Appeals vacated the denial of the requested protective order and remanded. The trial court hearing on remand is September 26, 2012.

Status: The case was dismissed. The parties on November 19, 2012, signed stipulations and a voluntary dismissal.

4. *Citizens United Against Corrupt Government, et al v City of Detroit, et al.* This action was filed in Ingham County Circuit Court. The claim is that a contract by Mayor with an outside law firm violates City charter.

Status: Awaiting a hearing date.

5. *Citizens United Against Corrupt Government, et al v Detroit Financial Advisory Board.* This action was filed in the Court of Appeals. This is an action for *quo warranto*. The claim is that, among other things, no portion of the Financial Stability Agreement, including the Financial Advisory Board, survived the disapproval of Act 4 by the voters.

Status: The case is pending having been filed on December 10, 2012.

6. *Citizens United Against Corrupt Government, et al v Detroit Financial Review Team.* This action was filed in Ingham County Circuit Court. The claim is that negotiation of the Fi-



financial Stability Agreement, as well as two provisions of the Financial Stability Agreement, violated Act 4. The case was dismissed by the Ingham County Circuit Court.

Status: Plaintiff filed a claim of appeal with the Court of Appeals and plaintiff's brief is due on December 26, 2012.

7. *Coletta et al v David Clark et al*. This action was filed in Wayne County Circuit Court and has been certified as a class action involving approximately 9,000 plaintiffs. This is an action for declaratory and injunctive relief and damages. The claim is that trustees of the City of Detroit's General Employees Retirement system and the Police and Fire Retirement system violated various laws and breached certain fiduciary duties in regards to the investment of pension assets.
8. *Davis v Detroit Financial Advisory Board*. This action was filed in Ingham County Circuit Court. The claim was that the Board violated the Open Meetings Act.

Status: The case was dismissed.

9. *Davis v Detroit Financial Review Team, et al*. This action was filed in Ingham County Circuit Court. The claims were that review teams were subject to the Open Meetings Act and that the Detroit Financial Review Team had acted in violation of a trial court order. The Court of Appeals held on May 21, 2012, that review teams are not subject to the Open Meetings Act, but remanded to the trial court for an evidentiary hearing on the issue whether defendants should be held in contempt. Subsequently, the trial court declined to hold an evidentiary hearing and plaintiff appealed that decision to the Court of Appeals.

Status: Payment of plaintiff's costs and attorney fees rendered moot the need for an evidentiary hearing.

10. *Davis v Highland Park Financial Review Team* (referred to as *Highland Park II* to distinguish it from the first Highland Park case which claimed that review teams were subject to the Open Meetings Act). This action was filed in Ingham County Circuit Court. The claims are that the terms of review team members expire 60 day (90 day with an extension) after appointment and that Act 4 violated Section 29 of the Headlee Amendment. The trial court dismissed the former claim, but held that Act 4 did violate the Headlee Amendment.

Status: Plaintiff failed to file a brief.

11. *Davis v Parker*. This is an action for *quo warranto*. This action was filed in the Court of Appeals after the foregoing case was filed in Ingham County Circuit Court. The claims are that the Emergency Financial Manager has no entitlement to her office because the statutory process of Act 72 was not followed and that Act 72 is not revived because it was repealed by Act 4.

# Allen Park, City of

**Can Fiscal Health Be Restored?** / To Be Determined

Difficulty Scale / Difficult Health Meter / Critical  
Deficit Elimination/Breakeven Projection / To Be Determined

Status: Emergency Manager

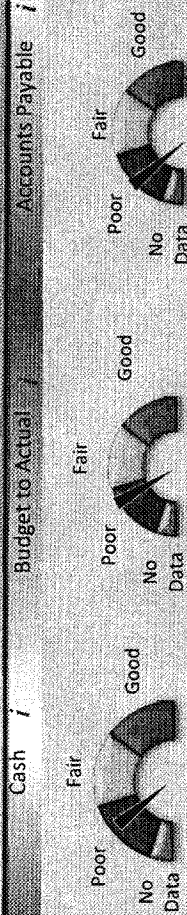
Manager: Joyce Parker

Begin Date: 10/25/2012 Est. Exit: > one year

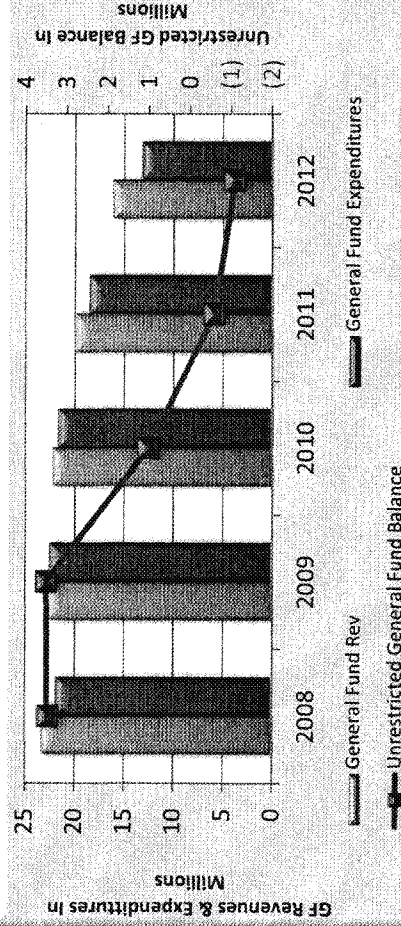
## Critical Audit Issues

FY2012 audit notes doubt of ability to continue as going concern  
FY2012 unrestricted general fund deficit is \$1,090,225 or 7% of GF revenues  
FY 2012 GF operating surplus of \$2,973,862

## Financial Indicators



## General Fund Revenues v General Fund Expenditures



## Significant Issues

City transferred \$5.1 from 2012 GF creating GF deficit  
Transfers out include \$2.5M for retiree healthcare; \$2.4M for movie studio  
Has filed an application for a \$2M emergency loan  
Researching potential to restructure studio debt  
EFM submitted deficit elim. plan; under review by staff

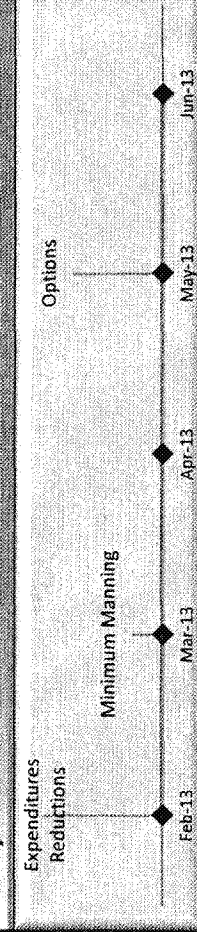
## Significant Accomplishments

Appointment of Emergency Manager  
Issued short term note to address cash flow

## Priorities (coincides with timeline)

Address minimum Manning requirements in contracts  
Identification of expenditure reductions  
Exploration of all options to resolve financial issues

## Priority Timeline



Local Government Contact

Roger Fraser

Date Prepared 2/6/2013



# Benton Harbor, City of

## Can Fiscal Health Be Restored? *i* Likely

Difficulty Scale *i* Difficult

Health Meter *i* Critical

Deficit Elimination/Breakeven Projection *i* 2015

Status: *Emergency Manager*

Manager: *Tony Saunders*

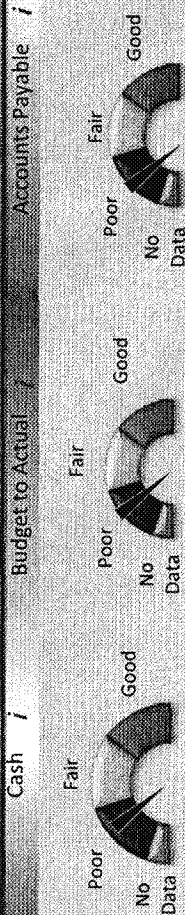
Begin Date: *4/1/2010*

Est. Exit: *< one year*

### Critical Audit Issues *i*

FY2012 unrestricted general fund deficit is \$2,285,483 or 34% of GF revenues  
FY2012 GF expenditures exceeded GF revenues by \$1,125,798 or 17%  
City approved 10 Mill special assessment (SA) for public safety

### Financial Indicators *i*



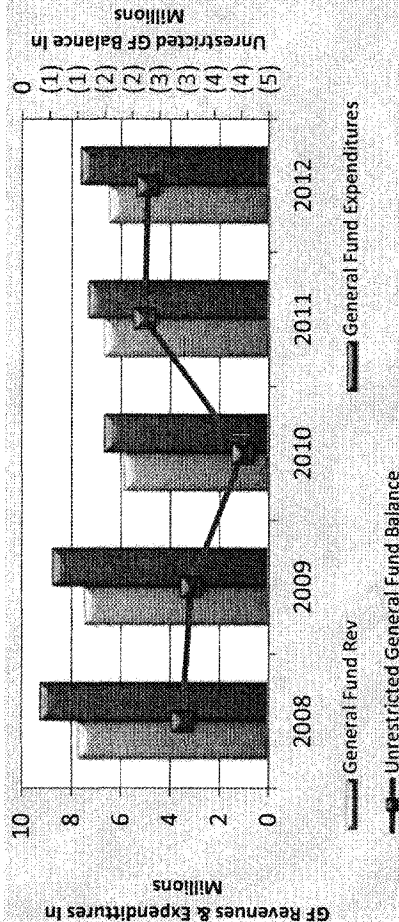
### Significant Issues *i*

SA helps replace \$1.4M loss due to voter defeat of millage in 11/2012  
Former EFM updated cash flow and deficit elimination plan  
Potential cash shortage in March 2013  
A/P aging is running 90-120 days and used as way to manage cash  
Former EFM requested emergency loan for at least \$3.9M

### Priorities (coincides with timeline) *i*

New EFM to review all operational expenses  
Address growing list of accounts payable and record practices for A/P  
Address water plant issues  
Legislation to correct reporting structure of Department Heads  
Address retiree health care

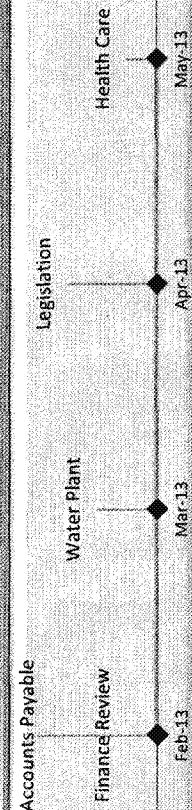
### General Fund Revenues v General Fund Expenditures *i*



### Significant Accomplishments *i*

Successfully transitioned from Joe Harris to Tony Saunders as EFM  
Implementation of 10 mill special assessment for public safety  
Demolition of derelict properties and improvements to parks  
Successful establishment of a Public Safety Department

### Priority Timeline *i*



Local Government Contact

Roger Fraser

Date Prepared 2/6/2013



# Benton Harbor, School District of

Status: *Distressed*

Manager: *N/A*

Begin Date: *N/A*

Est. Exit: *N/A*

Can Fiscal Health Be Restored? */* To Be Determined

Difficulty Scale */* Difficult

Health Meter */* Critical

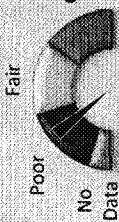
Deficit Elimination/Breakeven Projection */* To Be Determined

## Critical Audit Issues

FY2012 unrestricted general fund deficit of \$16.1M or 50% of GF revenues  
Borrowed \$9.8M in state aid representing 62.5% of projected FY13 state aid  
Making substantial progress in reducing expenditures

## Financial Indicators */*

Cash */*



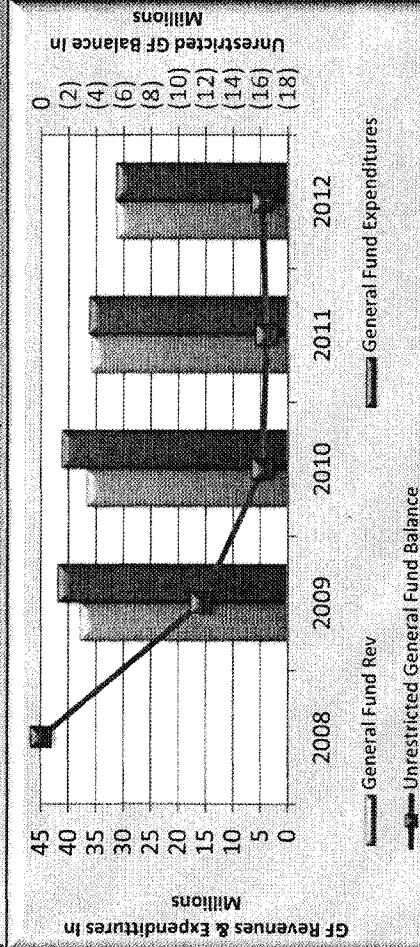
Budget to Actual */*



Accounts Payable */*



## General Fund Revenues v General Fund Expenditures



## Significant Issues */*

Requested 2nd emergency loan for \$4M  
Reviewing options for a tax anticipation note to address cash flow

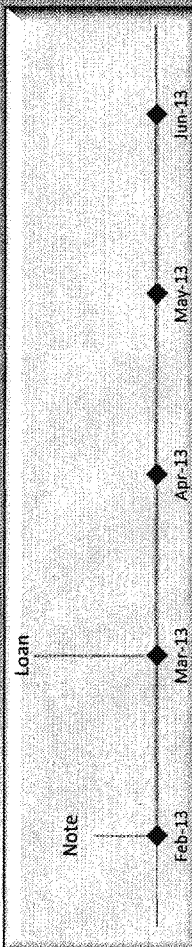
## Significant Accomplishments */*

Implemented concessions, layoffs, and building closures  
\$2 million in emergency loan proceeds approved  
Required December reports were submitted

## Priorities (coincides with timeline) */*

Tax anticipation note  
Emergency Loan

## Priority Timeline */*



Local Government Contact

Tom Saxton

Date Prepared 2/6/2013



# Detroit, School District of

## Can Fiscal Health Be Restored? / Likely

Difficulty Scale / Difficult

Health Meter / Critical

Deficit Elimination/Breakeven Projection

To Be Determined

Status: Emergency Manager

Manager: Roy Roberts

Begin Date: 3/1/2009

Est. Exit: > one year

### Critical Audit Issues

FY2012 unrestricted GF deficit is \$83,465,550 or 9% of GF revenues

Significant reduction in deficit due to \$386M in borrowing

A second \$6M state aid note issued on 2/1/2013

### Financial Indicators

Cash

Fair

No

Data

Good

Fair

Poor

No

Data

Good

Fair

Poor

No

Data

Good

Fair

Poor

No

Data

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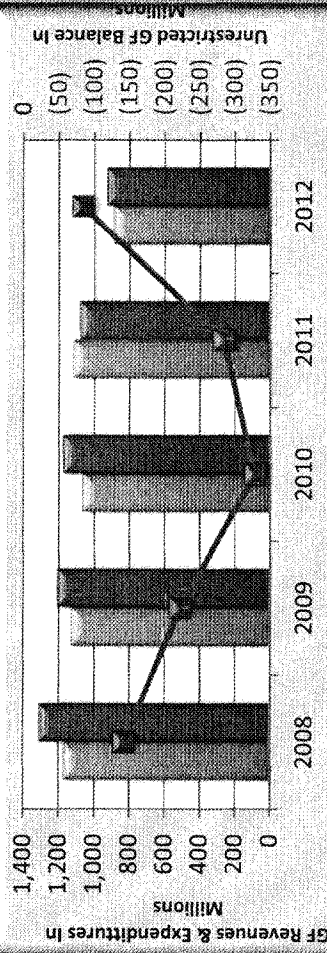
Data

Good

Fair

Poor

### General Fund Revenues v General Fund Expenditures



### Significant Issues

Blended student count is 51,362; Budget based on 49,853

EAA enrollment was 8,823 but budget based on 10,788 students

\$6M state aid note issued on 9/10/12 to mature on 1/22/2013

Eligible employees received 2% lump sum bonus

### Significant Accomplishments

Redeemed 2005 bonds to avoid \$21M in accelerated payments

Redemption resulted in present value savings of \$7.6M

### Priorities (coincides with timeline)

### Priority Timeline

Feb-13 Mar-13 Apr-13 May-13 Jun-13

Local Government Contact

Tom Saxton

Date Prepared 2/6/2013



# Detroit, City of

## Can Fiscal Health Be Restored? / To Be Determined

Difficulty Scale / Difficult

Health Meter / Critical

Deficit Elimination/Breakeven Projection / To Be Determined

Status: Consent Agreement

Manager: N/A

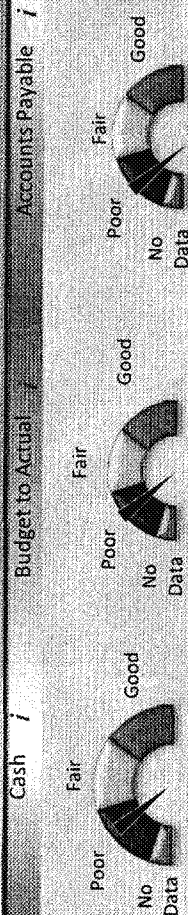
Begin Date: 3/29/2012

Est. Exit: > one year

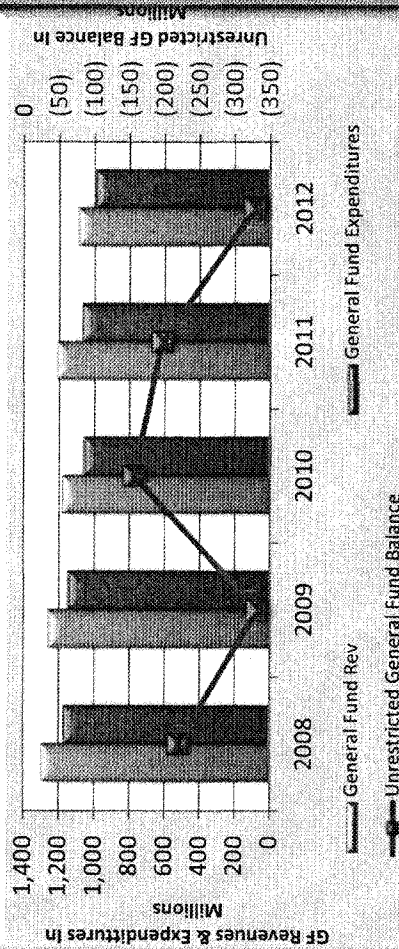
### Critical Audit Issues

FY2012 unrestricted GF deficit is \$327,956,700 or 30% of GF revenue  
 FY2012 GF revenue exceeded GF expenditures by \$105,842,769 or 9.6%  
 FY 2012 GF transferred \$236,542,790 to other funds adding to GF deficit

### Financial Indicators



### General Fund Revenues v General Fund Expenditures



### Significant Issues

Cash position rapidly deteriorating; \$110M shortfall by 6/30/2013  
 Plan developed by City includes \$117M in improvements  
 If plan implemented timely, City will have positive cash thru 6/30/2013  
 A draft 5 year deficit elim. plan includes significant changes  
 Contracts for operational and restructuring firms are approved  
 City Council failed to approve State lease for Belle Isle

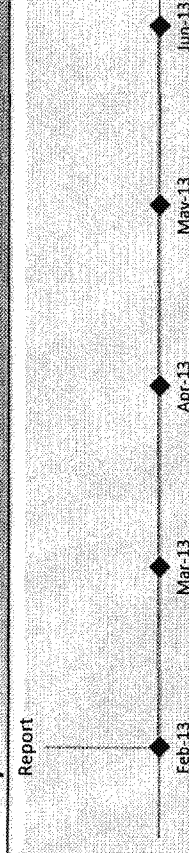
### Significant Accomplishments

Significant compliance with Milestone Agreement  
 Deficit elimination plan draft presented to Review Team  
 Review Team continues to work

### Priorities (coincides with timeline)

Review Team Report statutorily due

### Priority Timeline



Local Government Contact

Brom Sibiltz

Date Prepared 2/6/2013



# Ecorse, City of

## Can Fiscal Health Be Restored? i Likely

Difficulty Scale i Moderate Health Meter i Stable  
Deficit Elimination/Breakeven Projection i 2012

Status: Emergency Manager

Manager: Joyce Parker

Begin Date: 10/30/2009 Est. Exit: < one year

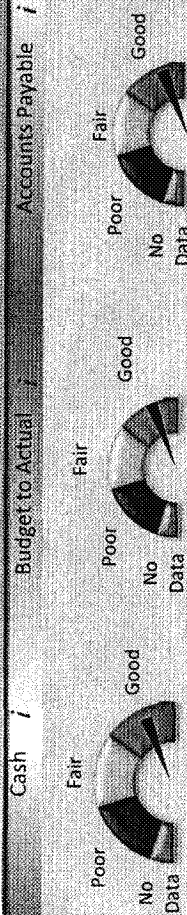
### Critical Audit Issues

FY2012 general fund balance is \$2,419,220 or 18.8% of GF revenue

FY2012 GF operating surplus of \$1,888,465

Majority of City Council believe interlocal agreement unnecessary

### Financial Indicators i



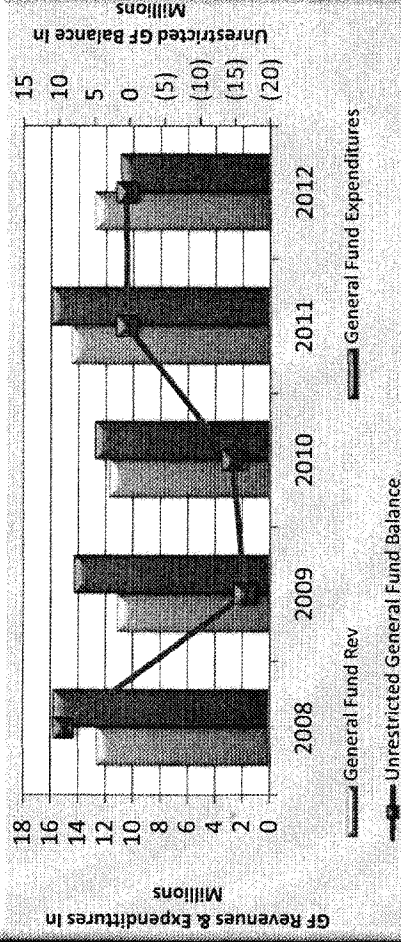
### Significant Issues i

Agreement creates consistent transition process away from an EFM  
If agreement not adopted, a Transition Advisory Board may be necessary

### Priorities (coincides with timeline) i

Continue discussions on interlocal agreement

### General Fund Revenues v General Fund Expenditures i



### Significant Accomplishments i

EM's assignment is essentially complete and is only working part-time  
New City Manager began on November 12, 2012

### Priority Timeline i

Discussion



Local Government Contact

Roger Fraser

Date Prepared 2/6/2013



# Flint, City of

## Can Fiscal Health Be Restored?

Difficulty Scale *i* Difficult Health Meter *i* Likely  
Deficit Elimination/Break-even Projection *i* To Be Determined

Status: Emergency Manager

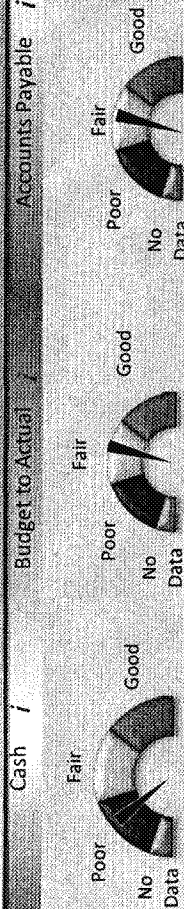
Manager: Ed Kurtz

Begin Date: 12/1/2011 Est. Exit: > one year

### Critical Audit Issues

FY12 unrestricted general fund deficit of \$19,184,850 or 37% of GF revenue  
FY12 GF expenditures exceeded GF revenues by \$10,169,828 or 20%  
Conducting feasibility study on pipeline from Lake Erie

### Financial Indicators



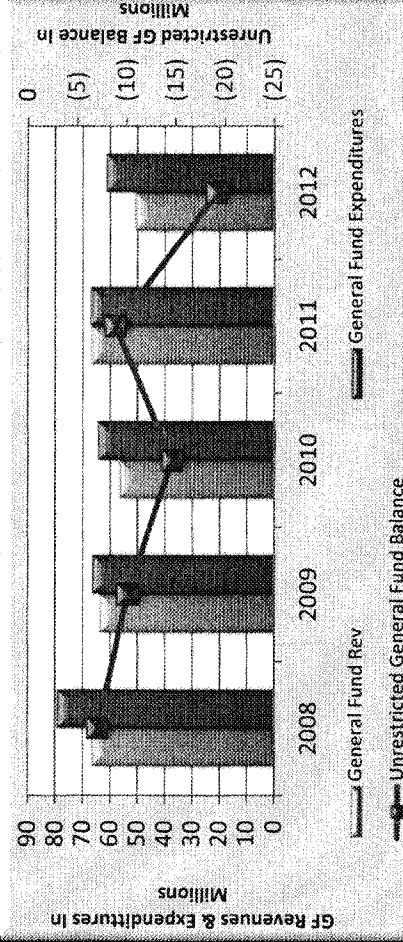
### Significant Issues

Long-term cost for Lake Erie pipeline lower than using DWSD  
Litigation pending to preclude changes to retiree healthcare  
Contract with private firm for solid waste/recycling service  
Savings of \$1M and will hire former City employees  
City working with Dept. on acceptable deficit elim. plan

### Priorities (coincides with timeline)

Resolving public safety staffing  
Establish new approach to water/sewer services  
Funding/maintaining infrastructure  
Blight eradication strategies  
Funding OPEB liabilities

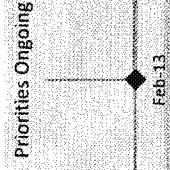
### General Fund Revenues v General Fund Expenditures



### Significant Accomplishments

Voters approved 6 mills for safety services generating \$5M annually  
2013 adopted budget has revenue enhancements and expenditure decreases  
City prevailed on a lawsuit challenging the water/sewer increase

### Priority Timeline



Local Government Contact

Roger Fraser

Date Prepared 2/6/2013



# Hamtramck, City of

## Can Fiscal Health Be Restored? i To Be Determined

Difficulty Scale i Unknown

Health Meter i Stable

Deficit Elimination/Break-even Projection To Be Determined

Status: Distressed

Manager: N/A

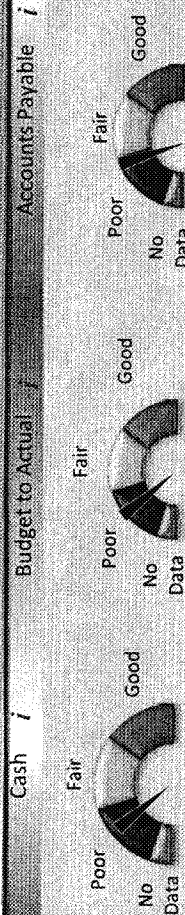
Begin Date: N/A

Est. Exit: N/A

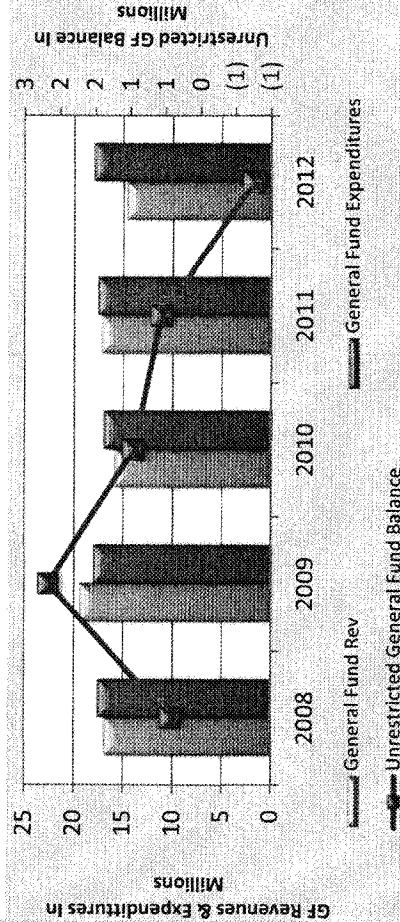
### Critical Audit Issues

FY2012 unrestricted general fund deficit of \$753,733 or 5% of GF revenue  
FY2012 GF expenditures exceeded GF revenues by \$3,303,385 or 22%  
GF operating deficit due to \$3M loss in tax revenue from Poletown

### Financial Indicators i



### General Fund Revenues v General Fund Expenditures i



### Significant Issues i

City failed to adjust expenditures to match decreased revenue  
City to have cash flow shortage in March  
City to pursue tax anticipation note to address cash flow  
City applied for an emergency loan for \$3M  
City's deficit elim. plan relies heavily on loan  
City requested a PA 72 prelim. review; Dept. starting review 2/11/2013

### Significant Accomplishments i

Significant bargaining concessions received from police, fire and AFSCME  
Applied for \$3M emergency loan

### Priorities (coincides with timeline) i

Emergency loan  
Preliminary Review

### Priority Timeline i

Review  
Loan



# Highland Park, School District of

## Can Fiscal Health Be Restored?

Difficulty Scale *i* Difficult Health Meter *i* Unlikely  
Deficit Elimination/Breakeven Projection *i* To Be Determined

Status: *Emergency Manager*

Manager: *Dan Weatherspoon*

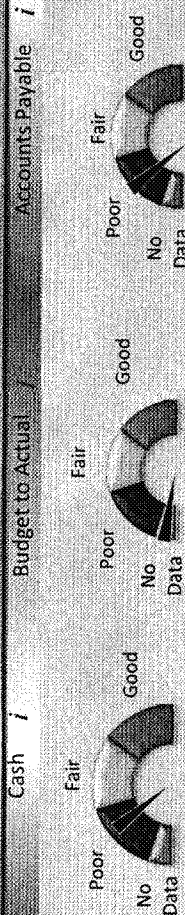
Begin Date: *3/2/2012*

Est. Exit: *> one year*

### Critical Audit Issues *i*

FY12 Audit not filed; it was due 11/15/12  
Audit delayed due to insufficient recordkeeping  
FY2011 Unrestricted general fund deficit is 60% of GF revenues

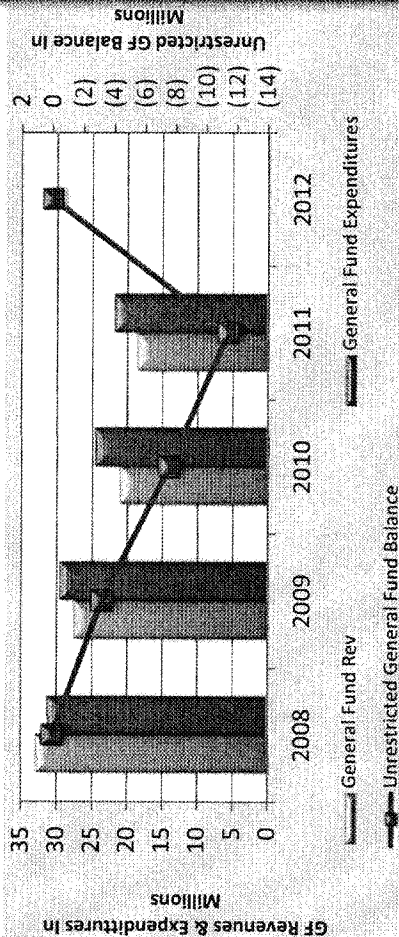
### Financial Indicators *i*



### Significant Issues *i*

2011 Current liabilities are 4X greater than current assets  
New K-12 PSA blended headcount is 854 students  
Budget is based on 857 students

### General Fund Revenues v General Fund Expenditures *i*



### Significant Accomplishments *i*

Charter operator in place and classes started on time  
To date parent reaction has been positive  
Received \$4,410,000 in an emergency loan to repay 2011 State aid note  
Received 2nd emergency loan for \$3M to pay critical vendors

### Priorities (coincides with timeline) *i*

### Priority Timeline *i*

Feb-13 Mar-13 Apr-13 May-13 Jun-13

Local Government Contact

Brom Stibitz

Date Prepared: *2/6/2013*



# Highland Park, City of

## Can Fiscal Health Be Restored? *i* Unlikely

Difficulty Scale *i* Difficult Health Meter *i* Critical  
Deficit Elimination/Break-even Projection N/A

Status: Receivership

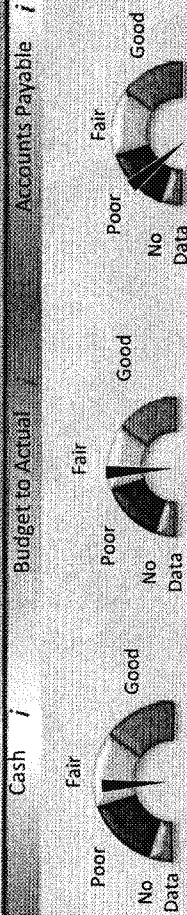
Manager: N/A

Begin Date: 6/19/2001 Est. Exit: > one year

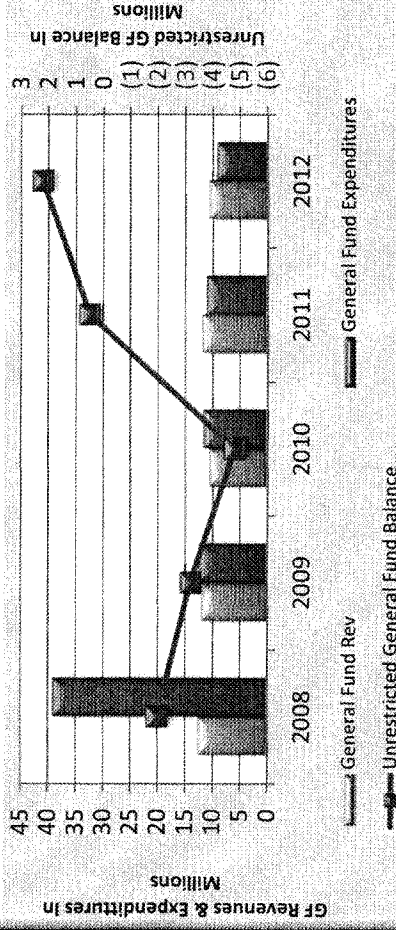
### Critical Audit Issues

FY12 unrestricted general fund surplus of \$2,199,762 or 20% of GF revenues  
FY2012 GF revenues exceeded GF expenditures by \$1,293,462 or 12%  
Positive GF balance due to \$4.2 forgiveness of debt in 2011

### Financial Indicators *i*



### General Fund Revenues v General Fund Expenditures *i*



### Significant Issues *i*

OPEB/pension unfunded liability renders City unsustainable  
Projected GF deficit by 2018  
City to discontinue use of water treatment plant  
Estimated cost to demolish water plant is \$3.6M  
City owes DWSD \$8M, which increases by \$200,000 per month  
Working with Detroit Water/Sewer for possible takeover of both systems

### Significant Accomplishments *i*

Forgiveness of \$4.7M in debt by DTE  
Positive general fund balance for 2011 due to forgiveness of debt  
Quo Warranto request to remove City officials from office dismissed

### Priorities (coincides with timeline) *i*

Negotiations with DWSD for utility systems  
Address OPEB liabilities and pension debt  
Pursue regional public safety  
Minimize/eliminate services provided by City

### Priority Timeline *i*



Local Government Contact

Ed Koryzno

Date Prepared 2/6/2013

# Inkster, School District of

## Can Fiscal Health Be Restored? *i* Unlikely

Difficulty Scale *i* Difficult

Health Meter *i* Critical

Deficit Elimination/Break-even Projection

To Be Determined

Status: *Distressed*

Manager: *N/A*

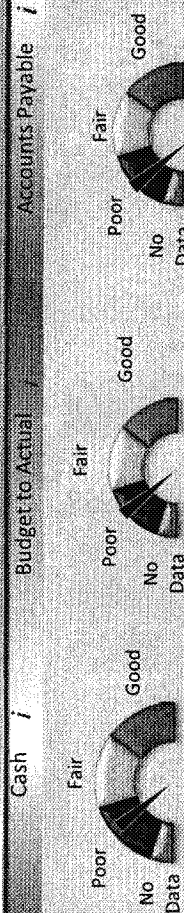
Begin Date: *N/A*

Est. Exit: *N/A*

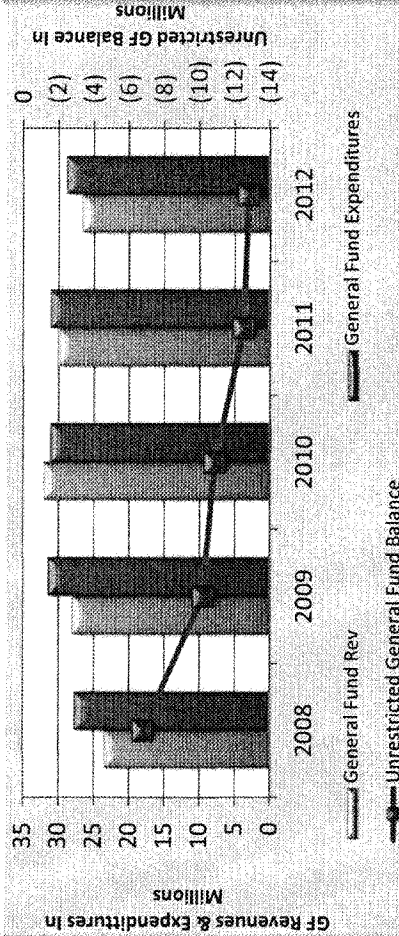
### Critical Audit Issues

District had a 27% drop in enrollment; current count is 2,294  
Deficit increased from \$9.3M in 2010 to approximately \$12.8 in FY2012  
District borrowed \$12.3M in August 2012 for cash flow

### Financial Indicators *i*



### General Fund Revenues v General Fund Expenditures *i*



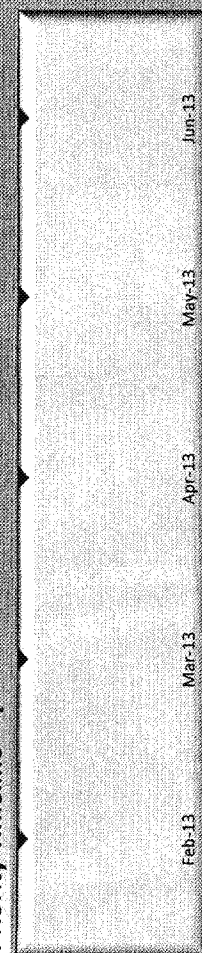
### Significant Issues *i*

Likely will need an emergency loan by August 2013 to repay note  
\$103,000 in state aid will be intercepted to offset note balance  
Deficit elimination plan (DEP) submitted with 3 scenarios  
Managing cash flow by not paying invoices; accounts payables increasing  
MDE and the Dept. discussing option of preliminary review

### Significant Accomplishments *i*

### Priorities (coincides with timeline) *i*

### Priority Timeline *i*



Local Government Contact

Tom Saxton

Date Prepared 2/6/2013



# Inkster, City of

## Can Fiscal Health Be Restored? *i* Likely

Difficulty Scale *i* Moderate Health Meter *i* Stable  
Deficit Elimination/Breakeven Projection 2016

Status: Consent Agreement

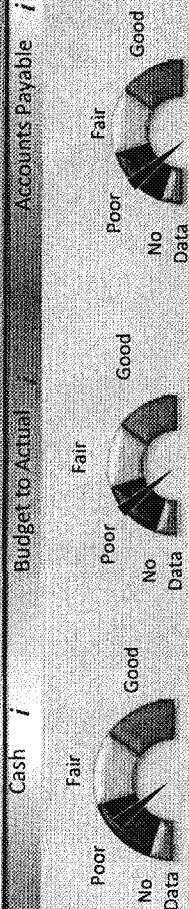
Manager: N/A

Begin Date: 3/1/2012 Est. Exit: > one year

### Critical Audit Issues

FY2012 unrestricted GF deficit of \$3,604,783 or 22% of GF revenue  
FY2012 GF expenditures exceeded GF revenues by \$3,171,524 or 19%  
Deficit elim. plan project \$1.7M deficit for FY2013

### Financial Indicators *i*



### Significant Issues *i*

Same plan projects deficit to be eliminated in FY2014

### Significant Accomplishments *i*

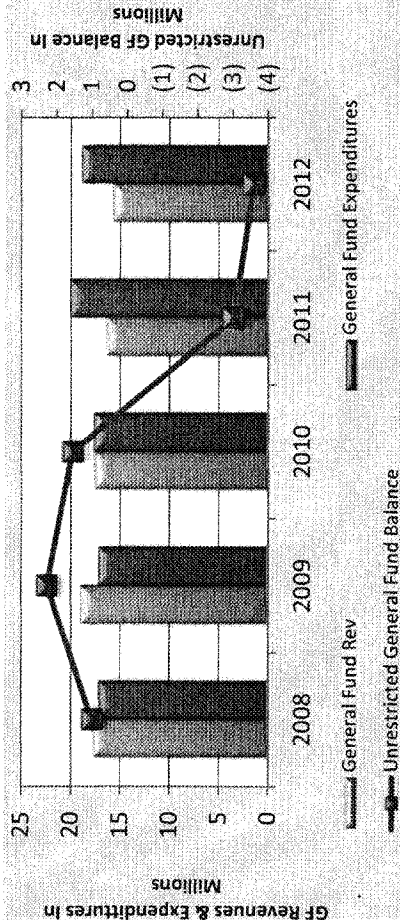
The City has provided financial reports per consent agreement  
Imposition of several new collective bargaining agreements  
All \$3 million in emergency loan proceeds have been disbursed  
Many recommendations from study incorporated in FY 2013 budget  
20% reduction in staff

### Priorities (coincides with timeline) *i*

### Priority Timeline *i*

Feb-13 Mar-13 Apr-13 May-13 Jun-13

### General Fund Revenues v General Fund Expenditures *i*



Local Government Contact

Ed Koryzno

Date Prepared 2/6/2013



# Muskegon Heights, School District of

Status: *Emergency Manager*

## Can Fiscal Health Be Restored? *i* Unlikely

Difficulty Scale *i* Difficult

Health Meter *i* Critical

Deficit Elimination/Breakeven Projection

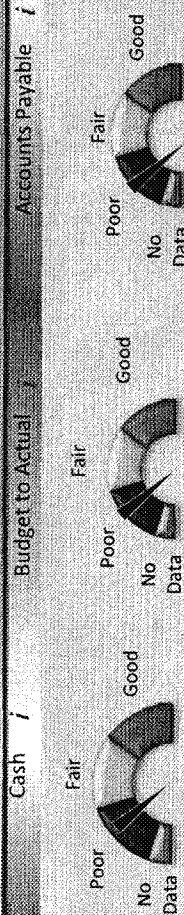
To Be Determined

Manager: *Don Weatherspoon* | Begin Date: *4/23/2012* | Est. Exit: *>one year*

### Critical Audit Issues *i*

FY12 Audit not filed; it was due 11/15/12  
Audit delayed due to insufficient recordkeeping  
FY2011 Unrestricted GF deficit is 47% of GF revenues

### Financial Indicators *i*

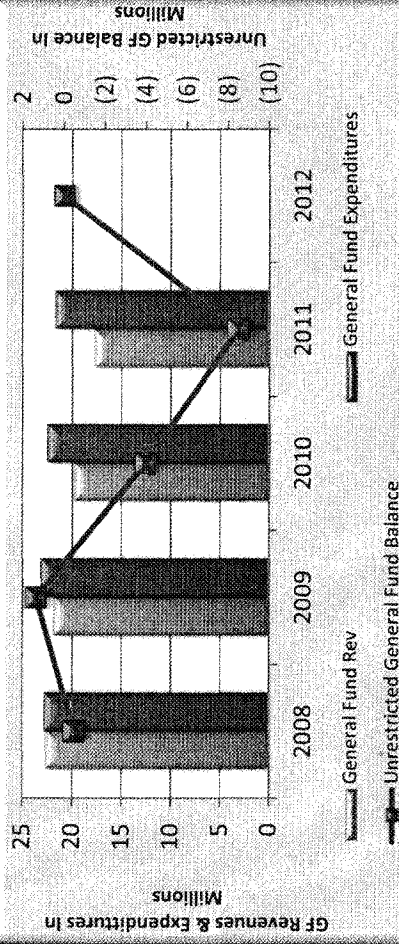


### Significant Issues *i*

Anticipates a \$10.5M deficit for FYE 2012  
\$7,600,000 received in an emergency loan to repay 2011 State aid note  
\$7.28M of loan proceeds have been distributed to the District

### Priorities (coincides with timeline) *i*

### General Fund Revenues v General Fund Expenditures *i*



### Significant Accomplishments *i*

K-12 PSA system began on time  
\$7.6M emergency loan received to repay state aid note  
\$3.5M emergency loan received to pay critical vendors

### Priority Timeline *i*

Feb-13 Mar-13 Apr-13 May-13 Jun-13

Local Government Contact

Tom Saxton

Date Prepared 2/6/2013



# Pontiac, City of

## Can Fiscal Health Be Restored?

Difficulty Scale *i* Moderate Health Meter *i* Improving  
Deficit Elimination/Breakeven Projection N/A

Status: Emergency Manager

Manager: Lou Schimmel

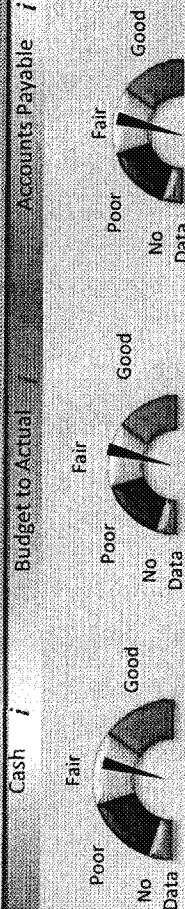
Begin Date: 3/19/2009

Est. Exit: < one year

### Critical Audit Issues

FY2012 unrestricted GF deficit of \$4,748,117 or 12% of GF revenue  
FY2012 GF expenditures exceeded GF revenues by \$1,249,049 or 3%  
EFM continues to reduce (sell) the number of city owned vacant property

### Financial Indicators



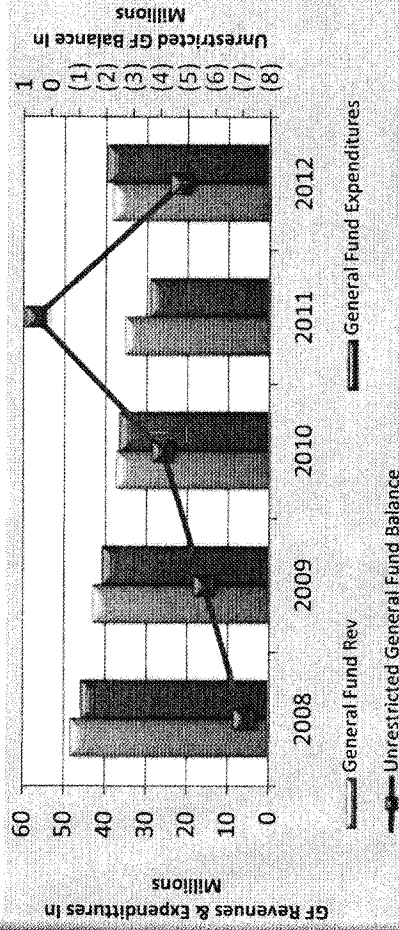
### Significant Issues

Circuit court issued injunction barring demolition of Phoenix Center  
Settlement negotiations for demolition are underway  
Development of a transition plan continues  
May consider interlocal agreement creating an advisory board

### Priorities (coincides with timeline)

EFM expected to transition out by early 2013  
Phoenix Center Demolition  
Sale of DPW building & other properties; auction off surplus items  
Redevelopment of Hayes Jones Community Center  
Reduce \$6M deficit related to health care

### General Fund Revenues v General Fund Expenditures



### Significant Accomplishments

6.5 millage for retiree health costs defeated  
Partnered w/County creating regional service for wastewater treatment  
Reduced expenditures for waste pickup and outsourced some DPW services  
Secured agreement with District Court to pay some cost from Court fund

### Priority Timeline

Priorities Ongoing



Local Government Contact

Roger Fraser

Date Prepared 2/6/2013



# River Rouge, City of

## Can Fiscal Health Be Restored? *i* Likely

Difficulty Scale *i* Moderate Health Meter *i* Stable  
Deficit Elimination/Breakeven Projection 2014

Status: Consent Agreement

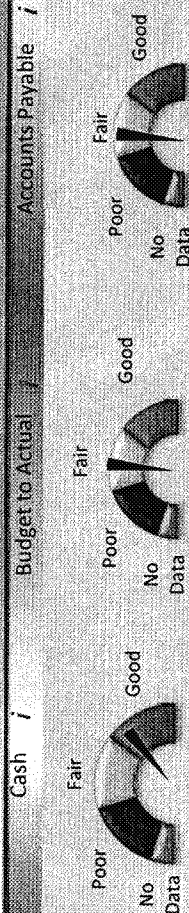
Manager: N/A

Begin Date: 12/15/2009 Est. Exit: > one year

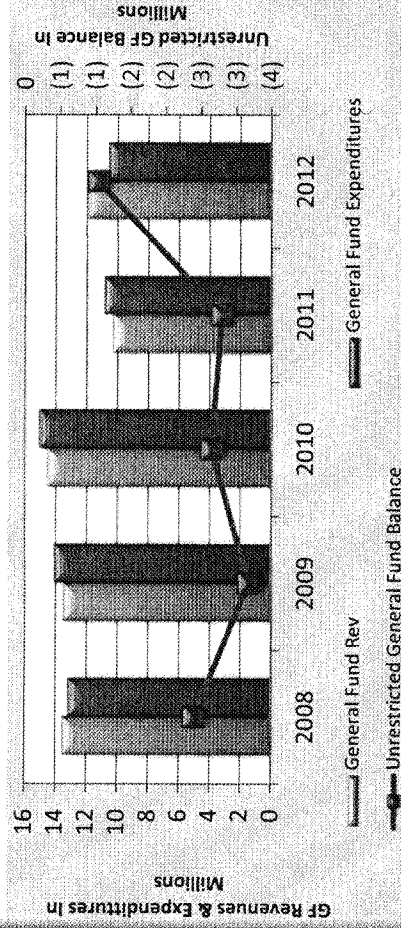
### Critical Audit Issues

FY2012 unrestricted GF deficit of \$1,039,067 or 8.6% of GF revenue  
FY2012 GF revenues exceeded GF expenditures by \$1,302,690 or 11%  
Reduction in GF deficit due to \$1.9M in legal settlement receipts

### Financial Indicators *i*



### General Fund Revenues v General Fund Expenditures *i*



### Significant Issues *i*

Office of Fiscal Responsibility to monitor adherence to Consent Agreement  
Will be required to submit an updated deficit elimination plan

### Significant Accomplishments *i*

26th District Court consolidated with 25th District Park (Lincoln Park)  
Implementation of Public Safety Office model

### Priorities (coincides with timeline) *i*

### Priority Timeline *i*

Feb-13 Mar-13 Apr-13 May-13 Jun-13

Local Government Contact

Ed Koryzno

Date Prepared 2/6/2013



# Royal Oak Township

Status: *Distressed*

Manager: *N/A*

Begin Date: *N/A* | Est. Exit: *N/A*

## Can Fiscal Health Be Restored? *i* To Be Determined

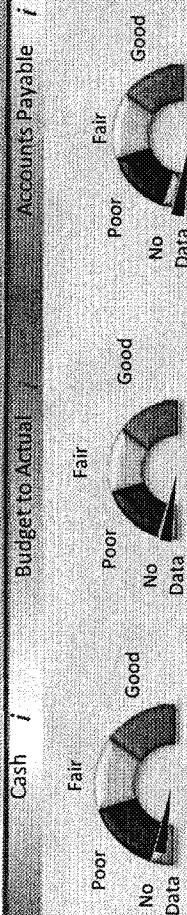
Difficulty Scale *i* Unknown Health Meter *i* Stable

Deficit Elimination/Breakeven Projection *N/A*

### Critical Audit Issues

FY2011 Operating deficit is 14% of general fund revenues  
FY2011 GF Payables owed to other funds are 46% of GF revenue  
Interfund borrowing may be indication of cash flow problems

### Financial Indicators *i*

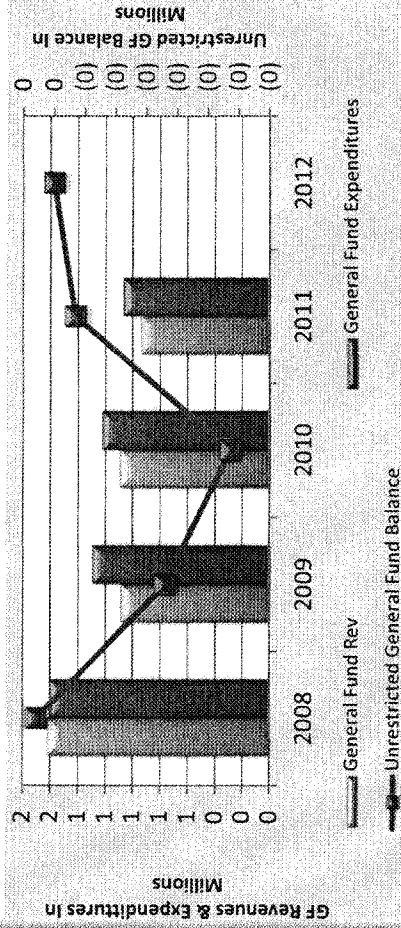


### Significant Issues *i*

Dept. pursuing more current financial data for proper fiscal assessment  
Annual audit received is of poor quality-Dept. pursuing issues with CPA firm  
New Treasurer and Clerk expressed concerns w/internal controls

### Priorities (coincides with timeline) *i*

### General Fund Revenues v General Fund Expenditures *i*



### Significant Accomplishments *i*

New Township Supervisor elected  
Voter approved millage of 4.5 mills has positive impact on GF  
Dept. staff continue to communicate with Treasurer/Clerk

### Priority Timeline *i*

Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13

Local Government Contact

Ed Koryzno

Date Prepared 2/6/2013



# Taylor, City of

Can Fiscal Health Be Restored? / Likely

Difficulty Scale / Unknown Health Meter / Critical  
 Deficit Elimination/Breakeven Projection / To Be Determined

Status: Distressed

Manager: N/A

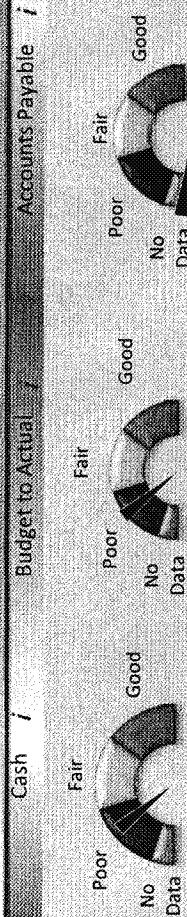
Begin Date: N/A

Est. Exit: N/A

## Critical Audit Issues

FY2012 unrestricted GF deficit of \$5,359,732 or 13% of GF revenue  
 FY2012 GF expenditures exceeded GF revenues by \$3,905,004 or 9.6%  
 GF borrowed \$2M from water and sewer funds for cash flow

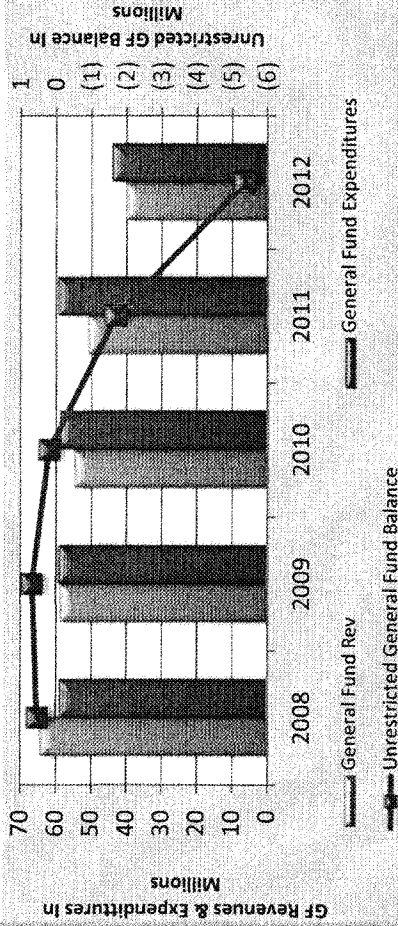
## Financial Indicators



## Significant Issues

Failed to adhere to FY11 deficit elimination plan  
 FY12 expenditure for Public Safety exceeded appropriation  
 Submitted updated elimination plan; Dept. to monitor adherence

## General Fund Revenues v General Fund Expenditures



## Significant Accomplishments

Submitted updated deficit elimination plan

## Priorities (coincides with timeline)

## Priority Timeline

Feb-13 Mar-13 Apr-13 May-13

Local Government Contact

Ed Koryzno

Date Prepared 2/6/2013



# Wayne County

## Can Fiscal Health Be Restored? i To Be Determined

Difficulty Scale i Unknown Health Meter i Stable  
Deficit Elimination/Breakeven Projection i 2017

Status: *Distressed*

Manager: *N/A*

Begin Date: *N/A*

Est. Exit: *N/A*

### Critical Audit Issues

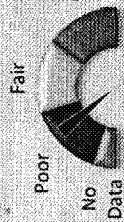
Unaudited FY12 unrestricted GF deficit is \$148M or 28% of GF revenue

Unaudited FY12 GF Operating surplus is \$65M

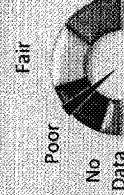
Revised deficit elimination plan under review by Dept.

### Financial Indicators i

Cash i



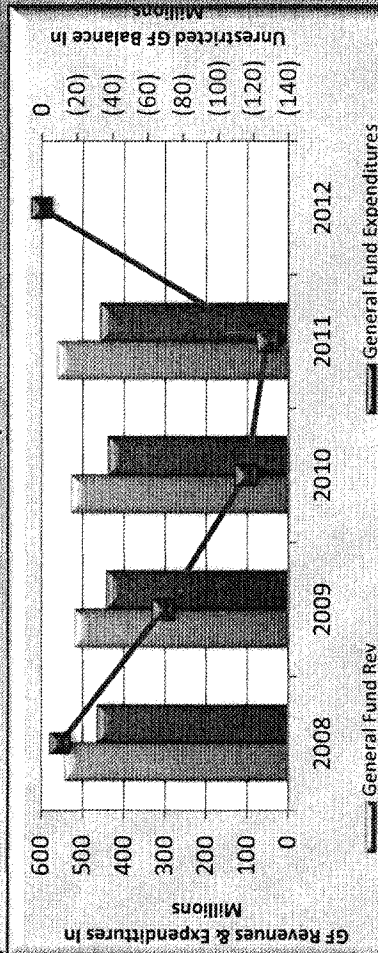
Budget to Actual i



Accounts Payable i



### General Fund Revenues v General Fund Expenditures i



### Significant Issues i

Deficit elim. plan relies on one-time transfers and unsupported cuts  
Consultant reviewing substantial balance in Delinquent Revolving Tax Fund  
\$90M Tax Anticipation Note borrowing will be likely in February 2013

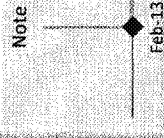
### Significant Accomplishments i

Issued \$100M in short term notes to address cash flow  
Submitted revised deficit elimination plan

### Priorities (coincides with timeline) i

Tax Anticipation Note borrowing for \$90M

### Priority Timeline i



Local Government Contact

Suzanne Schafer

Date Prepared 2/6/2013



## KEY TO DASHBOARD CATEGORIES

## Categories

## Restoration of Fiscal Health

## Description

The Department's assessment of the local unit's ability to sustain minimum services for its citizens. If "To Be Determined" is displayed, the Department may not have enough data to make a determination.

## Difficulty Scale

The degree of difficulty to return the local unit to fiscal health. If "Unknown" is displayed, the Department may not have enough data to make a determination.

## Health Meter

This is a measure of the local unit's fiscal condition. "Critical" denotes a serious financial situation. "Improving" means that the local unit has made progress in its financial position. "Stable" is an indication that the finances are not improving but the local unit is managing.

## Deficit Elimination/Breakeven Projection

This is the Fiscal Year in which the general fund deficit or operating deficit is projected to be eliminated or break even. This data is based on either the deficit elimination plan or other reports submitted to the Department. If "N/A" is displayed, there may be insufficient data for a projection or there is no deficit condition.

## Critical Audit Issues

Significant issues identified in the most recent audit report or CAFR.

## General Fund Revenues v. General Fund Expenditures

A history of general fund revenues and expenditures with an overlay of the unrestricted general fund balance.

## Financial Indicators

Department's assessment of cash, budget to actual, and accounts payable. This data will not always be immediately available to the Department.

## Cash

Poor-Will run out of cash unless uses cash from other funds or uses emergency borrowing.

Fair-Manages cash flow by using short term borrowing or delaying vendor payments.

Good-No foreseeable cash flow problems.

## Budget to Actual

Poor-The local unit is not adhering to its adopted budget, not making the necessary adjustments throughout the year, or has adopted an unrealistic budget.

Fair-The local unit consistently exceeds its expenditure budget but has still not exceeded its actual revenues.

Good-The local unit monitors its budget monthly and makes the necessary adjustments when needed.

## Accounts Payable

Poor-A/P is aging due to managing cash shortages by not paying vendors or delaying payments for more than 90 days.

Fair-The local unit is delaying some vendor payments for 60-90 days to manage cash flow.

Good-All invoices are paid in accordance with payment terms with minor exceptions.

## Significant Issues

Most significant issues facing the local unit. This may not always be financial in nature.

## Significant Accomplishments

A description of progress made by the local unit and/or the Department.

## Priorities

A description of major initiatives or events that may affect the local unit's ability to recover.

## Priority Timeline

A timeline of when the Priorities listed above are expected to occur.



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY

RICK SNYDER  
GOVERNOR

ANDY DILLON  
STATE TREASURER

**DATE:** May 20, 2013  
**TO:** Governor Rick Snyder  
**FROM:** Andy Dillon, State Treasurer  
**SUBJECT:** Status of Financially Distressed Local Governments

*File*

	April	March
	Cities	Cities
EM	5	6
TAB	1	0
Consent	2	2
Watch List	4	4

Per your request, this memorandum summarizes the status of selected financially distressed units of local government. The following units of local government now are subject to Public Act 436 of 2013, the Local Financial Stability, and Choice Act.

#### EMERGENCY MANAGER – CITIES

##### City of Allen Park

- Joyce Parker was appointed Emergency Financial Manager by the Emergency Loan Board on October 25, 2012, with duties beginning October 29.
- For fiscal year ending June 30, 2012, the City had general fund revenues of \$16,202,731. The factors contributing to the City's financial distress was the transfer of \$4.7 million (net of transfers in) from the general fund, including a \$2.4 million transfer associated with studio debt and a \$2.5 million transfer to cover retirement health care. The City's unrestricted accumulated general fund deficit is \$1,090,225 or 6.7% of revenues. The City's audit for fiscal year 2012 was performed by Allen C. Young and Associates. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.
- Ms. Parker has signed several Deficit Elimination Plan orders that anticipate saving the City \$750,000. These include removing existing Board and Commission members from Boards that control spending; eliminating DPW curbside pickup; and changing retiree healthcare coverage to require post 65 retirees to use Medicare advantage, pre 65 retirees

to use Community Blue 2 and increasing co-pays to \$10, \$20 and \$30. She also signed an order that could generate \$2 million in revenue if the voters approve a special assessment millage ballot question set for August. Treasury continues gathering information from the City to prepare for restructuring the studio debt and the movie studio property is listed for sale.

- The Road Out: The budget is in deficit primarily because of the movie studio debt and the retiree health care obligations. Public safety labor contracts have minimum manning provisions that will be resolved when they expire on June 30. The EM's deficit elimination plan includes personnel reductions (including police and fire), wage reductions, pension plan changes, health care changes, reduction in sick days and holiday payouts, and revenue enhancements for rubbish and lights. Ms. Parker believes that it may be possible to balance these financial issues short of bankruptcy. However, that option is also being explored. It is anticipated that Ms. Parker may exit this local unit by August 31 contingent upon a successful restructuring of the movie studio debt.

#### City of Benton Harbor

- Joe Harris was appointed in Benton Harbor early in 2010. Tony R. Saunders II was appointed as the new EFM effective February 1, 2013.
- For the fiscal year ending June 30, 2012, Benton Harbor had an operating shortfall of \$1,125,798, exceeding general fund revenues of \$6,555,653 by 17%. The unrestricted accumulated general fund deficit is \$2,285,483 or 34% of general fund revenues. The unrestricted deficit increased slightly over 2011 by approximately \$56,000. The City's audit for fiscal year 2012 was performed by Rehman CPA Firm. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.
- Update: The new EM has successfully renegotiated the Police and AFSCME collective bargaining agreements to include pay reductions, employee contributions for healthcare, ability to move pensions to MERS, lower pension multipliers and elimination of holiday pay. He has reduced total healthcare costs for FY 14 by 75% as compared to FY 12 actual costs. These changes combined with staffing reductions and other cost savings reduce the anticipated FY 13 general fund deficit to \$400,000 and create a surplus of \$600,000 in the proposed FY 14 budget. The City's cumulative deficit will be eliminated when the EM applies for a \$2.5 million emergency loan prior to June 30.
- The Road Out: The water fund will have operational losses for the foreseeable future, particularly since users in Benton and St. Joseph Townships have withdrawn from the system due to ongoing political and financial management concerns. The City Charter needs to be updated, a qualified city manager hired, and the performance of City Council needs to be improved. OFR staff is working with the new EM on the transfer of the pension system to MERS. Treasury had anticipated that withdrawal from the City would be a near-term possibility if Charter issues could be overcome. The new EM understands our desire to make an

exit as soon as possible and a target transition date from the EM to the TAB has been set for August 31.

City of Flint

- Edward Kurtz was appointed Emergency Financial Manager on August 8, 2012 by the Emergency Loan Board. He succeeded Mike Brown who was appointed Emergency Manager on November 29, 2011. Mr. Kurtz is taking a minimal salary as EM, while Mike Brown now works as City Administrator, appointed by Mr. Kurtz. It is assumed that Mr. Kurtz will be retained until June to complete the FY 2014 budget.
- The City hired Ernst and Young to perform an analysis of the proposed 5-year financial plan, the City's healthcare and benefits plans, shared services, IT opportunities, and a preliminary analysis of strategic alternatives for Hurley Hospital.
- Budget projections contained in the City's 5-year plan reveal FY15 will be a major challenge as significant grants (Lockup, SAFER, HUD Master Planning, COPS) expire resulting in revenue loss of more than \$7 million. Coupled with a variance of about \$3 million between projected revenues and expenses a shortfall of almost \$10 million will be created. The existing retiree healthcare lawsuit is a concern because it will increase expenses by \$4 - \$5 million annually if the plaintiffs prevail.
- For fiscal year ending June 30, 2012, the City incurred a general fund operating shortfall of \$10,169,828 exceeding general fund revenues of \$51,497,686 by 20%. This resulted in an unrestricted accumulated general fund deficit of \$19,184,850, which is 37% of general fund revenues. The City's audit for fiscal year 2012 was performed by Plante & Moran, PLLC.
- The City of Flint has been participating with Genesee County on the feasibility of the City's use of a planned water pipe line from Lake Huron that would serve a large portion of Genesee County as an alternative to water supplied by DWSD. After entertaining numerous offers from DWSD, the EM announced on May 1 that the City will join the Karegnondi Water Authority.
- The Budget for the current fiscal year was balanced when implemented and appears to be on target to end the year in the black. Voters overwhelmingly approved a 6 mill public safety millage in November that will substantially improve the FY 14 budget. The current budget reduced the City's workforce by 150 positions (20 percent), and used employee concessions and a restructuring of employee health care benefits. While retiree health care has been eliminated for future employees, litigation is pending in federal court to preclude the planned changes to retiree health care. The Emergency Manager estimates that retiree health care costs will increase by \$3.5 million during the current fiscal year if he is prevented from implementing the planned changes.
- The City has submitted a five-year deficit elimination plan that anticipates submittal of an emergency loan application of \$12 million to address the accumulated deficit. The remainder



of the unrestricted accumulated general fund deficit will be eliminated through \$7.1 million in reductions. The City has submitted their FY 14 budget which contains \$6.9 million of reductions. Police and fire staffing remain the same, reductions of the workforce will occur as a result of restructuring and contracting out services. \$1 million is pledged to repay part of the existing emergency loan. There will be increases in garbage collection and streetlight assessments due to declining taxable value and the increase of tax delinquencies.

- The Road Out: This is the first year of the EM's balanced budget and they remain on track with the budget. Major remaining issues are resolving public safety staffing and effectiveness; establishing new and cooperative approaches to water and sewer services; funding and maintaining infrastructure; defining and sustaining blight eradication strategies; and funding OPEB liabilities. Treasury will be meeting with Flint's EM during the next month to review the 5-year budget plan and to develop an exit strategy from this local unit.

#### City of Pontiac

- Lou Schimmel was first appointed Emergency Manager on October 6, 2011. The Emergency Manager anticipates completing his work by mid-2013, and a Transition Advisory Board (TAB) under PA 436 of 2012 will be necessary for this to happen.
- For fiscal year ending June 30, 2012, the City had an operating shortfall of \$1,249,049 exceeding general fund revenues of \$38,709,018 by 3%. This resulted in an unrestricted accumulated general fund deficit of \$4,748,117 or 12% of general fund revenues. For fiscal year 2013, the City's financial position benefitted from the transfer of the Pontiac Wastewater Treatment Plant. From the assets received, \$8.4 million was used to pay off a loan to the general fund from the water/sewer fund; \$6 million was used for retiree healthcare bringing the 2013 budget into balance; \$3.4 million will be applied to the accumulated deficit from fiscal year 2012. The City's audit for fiscal year 2012 was performed by Rehman CPA firm. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.
- The EM reports that FY2014 would be balanced except for the \$6.0 million required for health care costs associated with retired non-public safety employees, and those who are still active employees. Retired public safety employees (there are no active Pontiac public safety employees) are covered by an existing VEBA.
- Oakland County Circuit Judge Daniel P. O'Brien granted a motion for dismissal on May 1 in a lawsuit filed against the City by the health care trust for retired police and firefighters. The lawsuit, filed during August 2012 after the City missed a \$3.5 million contribution to the trust, could have resulted in the amount being placed on the City's tax rolls as a judgment levy. The decision affords the City additional time to generate revenues for future contributions.
- The Road Out: Mr. Schimmel is expected to exit this local unit by June 30 and a TAB appointed. His exit strategy includes several tasks: Phoenix Center Demolition; provide for



the redevelopment of the Hayes Jones Community Center; sale of various properties, including the golf course (he has a purchase offer of \$1,280,000 for one of four properties); and substantially reduce the \$6.0 million annual deficit related to retiree health care. Mr. Schimmel recently presented to Treasury a concept plan for utilizing apparent overfunding in two retirement plans to eliminate or dramatically reduce City costs for retiree health care. Treasury encouraged further refinement of the plan subject to certain conditions being addressed.

#### City of Detroit

- For fiscal year ending June 30, 2012, the City had an operating surplus of \$105,842,769. However, when transfers out of the general fund are taken into account, the City's financial position is much worse. The City transferred \$236,542,790 with the largest transfer going to the transportation fund for \$87.2 million, \$61.2 million to the debt service fund, and \$80.9 million for interest payments on the pension obligation certificates. This resulted in an unrestricted accumulated deficit of \$327,956,700 or 30% of general fund revenues of \$1,100,342,313. The City's audit for fiscal year 2012 was performed by KPMG, LLP. The City has a contract with Ernst and Young to perform certain financial functions.
- Based on current projections, the City will have an operating deficit of approximately \$50 million for the current fiscal year, excluding bond proceeds. Once the \$137 million in proceeds are factored in, the operating "surplus" will result in the unrestricted accumulated deficit dropping to roughly \$240 million.
- Kevyn Orr took office as Emergency Financial Manager on March 25, with a transition to Emergency Manager under PA 436 on March 28.

#### RECEIVERSHIP TRANSITION ADVISORY BOARD - CITIES

##### City of Ecorse

- Joyce Parker was first appointed Emergency Financial Manager on October 30, 2009. Her services were terminated on April 30 after she notified the Governor that the financial emergency had been sufficiently addressed.
- For the fiscal year ending June 30, 2012 the City had a general fund balance of \$2,419,220 or 18.8% of general fund revenues of \$12,904,604 and experienced an operating surplus for the first time in several years. The City's audit for fiscal year 2012 was performed by Rehman CPA Firm. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.
- Update: A three member Transition Advisory Board was appointed on May 1 pursuant to the EM's final order. The Board is expected to hold their initial meeting prior to the end of May.

## CONSENT AGREEMENT - CITIES

### City of Inkster

- The City of Inkster operates under a Consent Agreement which was implemented effective February 28, 2012.
- For fiscal year ending June 30, 2012, the City had a general fund operating shortfall of \$3,171,524 or 19% of general fund revenues of \$15,859,971. The FY12 shortfall increased the City's general fund unrestricted accumulated deficit to \$3,604,783 or 22% of general fund revenues. The City's audit for fiscal year 2012 was performed by Allen C. Young and Associates. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.
- City Council appointed City Treasurer Mark Stuhldreher, as interim City Manager at their March 18 meeting. With the adoption of the Consent Agreement, Mr. Stuhldreher was granted certain emergency manager powers due to the absence of a qualified city manager.
- For FY2013, the City reduced staffing by 20% and made other expenditure reductions. Current budget forecasts suggest a year-end deficit of \$1.7 million, consistent with the DEP. The most current budget to actual report shows the City's general fund breaking even instead of generating a \$600,000 surplus as budgeted. The City Council approved FY 2012/13 budget amendments which included reductions of \$500,000. The City's deficit elimination plan anticipates the FY14 budget will be balanced. Treasury remains concerned about ongoing cooperation between the City Council and the city administration. Staff from OFR continues to provide Inkster with administrative support.

### City of River Rouge

- The City of River Rouge operates under a consent agreement which was implemented effective December 15, 2009.
- For fiscal year ending June 30, 2012, the City had a general fund operating surplus of \$1,302,690 or 11% of general fund revenues of \$11,989,601. The surplus has reduced the unrestricted accumulated general fund deficit to \$1,039,067 or 8.6% of general fund revenues of \$11,989,601. The 2012 accumulated deficit is approximately half of the previous year's deficit so progress is evident. However, the 2012 operating surplus is a result of the receipt of approximately \$1.9 million in legal settlements. Had the legal settlements not occurred, the 2012 accumulated deficit would be an estimated \$2,900,000.
- OFR staff met with the Mayor of River Rouge and feels comfortable that the City's ongoing efforts to reduce costs, such as the recent implementation of a public safety officer model for combined police and fire services, will help the City achieve its FY14 budget

objective of balanced revenues and expenditures. Implementation of the Personal Property Tax reductions is anticipated to negatively impact the City.

- Efforts are underway to prepare more specific estimates of the impacts of PPT revenue losses on both River Rouge and Ecorse, which have relied heavily on the PPT revenues from the Great Lakes steel mill. The City's audit for fiscal year 2012 was performed by Gregory Terrel & Company. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.

## LOCAL UNITS OF INTEREST

### City of Hamtramck

- Late last year, the City Council voted to request a financial review by the State. Treasury initiated a preliminary review in February and recommended the appointment of a financial review team. A five member Financial Review Team was appointed April 17 and conducted interviews with Hamtramck elected officials and staff on April 30 and May 2. The Team also held the requisite public hearing at Hamtramck City Hall on April 30. A final report is expected to be transmitted to the Governor by May 30.
- For fiscal year ending June 30, 2012, the City had a general fund-operating shortfall of \$3,303,385 which is 22% of general fund revenues of \$14,827,148. The cause of the imbalance was the result of the loss of revenue due to the expiration of the Poletown tax increment financing agreement and the failure of the City to reduce its expenditures accordingly. The City's audit for fiscal year 2012 was performed by Allen C. Young and Associates. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.
- The City has submitted an application for an emergency loan for \$3 million. However, the City does not meet the criteria. The City must issue a tax anticipation note first. The Department is working with the City to submit its application for the note as well as assisting the City in finding an issuer.

City of Highland Park<sup>1</sup>

- For fiscal year ending June 30, 2012, the City had a general fund operating surplus of \$1,293,462 or 12% of general fund revenues of \$10,718,332. This increased the City's unrestricted general fund balance to \$2,199,762 or 20% of general fund revenues. The positive fund balance is a result of the restatement of accrued state revenue from the fiscal year 2011 financial statements and, in large part, the forgiveness of a \$4 million payable due to DTE in 2011. The City's audit for fiscal year 2012 was performed by Gregory Terrel & Company. The City has a contract with Plante & Moran, PLLC to perform certain financial functions.
- Update: The amended FY 2013 budget was presented to City Council on May 6. The amended budget will increase revenues by 2% (\$10.3-million) but increase expenditures by 22% (\$12.9-million) as a result of an unfavorable court ruling and overspending in the Police, Fire, and Community Development Departments. Fund Balance will decline from a projected \$3.1 million to \$417,916. The City of Highland Park's total water and sewer debt is \$19,938,590, consisting of general obligation bonds, principle and interest of \$5,204,414 and accounts payable of \$14,734,176.
- The estimated amount owed to DWSD is being paid but not at the rate needed. OFR continues to work with the Mayor and city staff to address these issues, but the City will certainly end the year with an increase in the accumulated deficit.
- The DEQ issued an order to the City to upgrade its water distribution system during April 2012 and requested a timeline for improvements to be provided by April 30, 2013. The City has failed to comply and OFR staff will be working with both parties to resolve this issue.
- The Road Out: While the City was never removed from receivership, Treasury is advised that an updated financial review by a team appointed by the Governor will be necessary prior to determining that financial distress exists. Treasury is preparing an analysis to determine if Chapter 9 can be avoided. The City is currently exceeds their debt limit by 20% or \$8.9M. They will be over their limit by \$10.1M when taxable values are set on May 28. Highland Park's broken water system needs multiple strategies for resolution. DWSD is the primary focus here for delivery of treated water and administration of water and sewer bills.

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<sup>1</sup> Several EFM's have been appointed in Highland Park. While the financial emergency in the City remains in effect, no replacement EFM has been appointed. Treasury is working with the Mayor and Council, without an EFM appointment, to get the City out of the business of providing public services.

- The City's existing water treatment facilities are in need of demolition, which will be expensive. The continuing effort to minimize services the City provides makes the City a prime candidate for regional public safety.

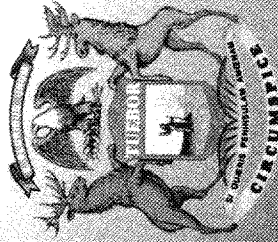
The following units of local government are not currently subject to Public Act 436 of 2013, the Local Financial Stability and Choice Act:

Royal Oak Township

- The township had an operating deficit of \$132,358 and an unrestricted general fund balance of a negative \$34,821 at year-end 2011. The City's audit for fiscal year 2012 was performed by RC Jones, PLLC.
- The township will experience a cash flow problem during May/June and desires to sell Tax Anticipation Notes for the 2013 winter tax collection period. The timing and availability of those funds does not resolve the cash flow crisis, nor does advancement on their revenue sharing payments, because the Township did not fulfill the requirements to receive their March EVIP payment. These combined actions create a large deficit for FY2014 and township officials anticipate requesting an emergency loan.
- OFR staff has met with both City Managers of the adjacent cities to explore the potential of one unit providing all of the services to the township. Both cities expressed interest, but are hesitant because of the uncertainty of funding and potential interference from the township board.

County of Wayne

- For fiscal year ending September 30, 2012, the County had an unrestricted accumulated general fund deficit of \$148,925,000, which is 28% of general fund revenues. The City's audit for fiscal year 2012 was performed by Plante & Moran, PLLC.
- In May, the County will be submitting an updated deficit elimination plan based on fiscal year 2012 audited numbers.
- The County has requested its first draw against the \$90 million in tax anticipation note proceeds held in escrow. The County complied with its reporting requirements and therefore, received approval from the Department to release \$20 million. The County has been notified that prior to the next release of funds, the County will be required to submit a detailed overtime report for each Department and a status report on the jail project in addition to its regular monthly financial reports.



State of Michigan  
**Executive Office**  
Governor Rick Snyder

# Municipal Issues Update

February 12, 2014



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

R. KEVIN CLINTON  
STATE TREASURER

February 7, 2014

**BY ELECTRONIC AND UNITED STATES MAIL**

Donna J. Squalls, Supervisor  
Charter Township of Royal Oak  
21131 Garden Lane, Second Floor  
Ferndale, Michigan 48820

Dear Supervisor Squalls:

Thank you for your correspondence of February 6, 2014. As the chief administrative officer of the Charter Township of Royal Oak, you have requested a hearing pursuant to Section 6(2) of Public Act 436 of 2012, the Local Financial Stability and Choice Act. As the Governor indicated in his January 30, 2014, determination letter, "[i]n the event that a hearing is requested, it will be convened on Tuesday February 11, 2014, at 9:00 A.M., at the Richard H. Austin (Treasury) Building before State Treasurer R. Kevin Clinton, or his designee."

The Richard H. Austin Building is located at 430 West Allegan Street, in Lansing. The hearing will be conducted in the State Treasurers Board Room on the First Floor. You may find the following information useful in preparing for the hearing:

- The hearing will not be an original fact finding hearing. The purpose of the hearing will be to afford you the opportunity to indicate whether the findings of the Review Team report were supported by competent, material, and substantial evidence on the whole record. Therefore, as the Governor indicated in his letter, any information which you wish to present that was not available to the Review Team, or that concerns actions taken by Township officials since the Review Team filed its report, or that concerns actions Township officials anticipate taking in the future to address the financial emergency in the Township, will be considered beyond the scope of the hearing.
- The hearing will not be an adversarial proceeding. Formal rules of evidence will not apply and there will be no right to call witnesses or to cross examine other parties.
- Each side (the Review Team and Township officials) will be given 30 minutes to make its presentation. This will consist of an initial presentation by each side not to exceed 20 minutes, followed by up to ten minutes for rebuttal. More than one person per side may present, but the total time per side will not exceed 30 minutes.

Donna J. Squalls  
February 7, 2014  
Page Two

- You may submit written information to me prior to the hearing. You may also submit any additional written information to me by 5:00 P.M., on Wednesday February 12, 2014.

I trust that this information will be of assistance to you. If I can be of further assistance, let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Kevin Clinton". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

R. Kevin Clinton  
State Treasurer

cc: Governor Rick Snyder  
Thomas F. Saxton, Chief Deputy Treasurer  
Ashley Gelisse, Senior Policy Advisor  
Frederick Headen, Legal Advisor





RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

R. KEVIN CLINTON  
STATE TREASURER

February 7, 2014

**BY ELECTRONIC AND UNITED STATES MAIL**

DeAndre Windom, Mayor  
City of Highland Park  
12050 Woodward Avenue  
Highland Park, Michigan 48203-3578

Dear Mayor Windom:

Thank you for your correspondence of February 5, 2014. As the chief administrative officer of the City of Highland Park, you have requested a hearing pursuant to Section 6(2) of Public Act 436 of 2012, the Local Financial Stability and Choice Act. You indicated in your letter that the City Council adopted a resolution authorizing the request. As the Governor indicated in his January 30, 2014, determination letter, "[i]n the event that a hearing is requested, it will be convened on Tuesday February 11, 2014, at 10:30 A.M., at the Richard H. Austin (Treasury) Building before State Treasurer R. Kevin Clinton, or his designee."

The Richard H. Austin Building is located at 430 West Allegan Street, in Lansing. The hearing will be conducted in the State Treasurers Board Room on the First Floor. You may find the following information useful in preparing for the hearing:

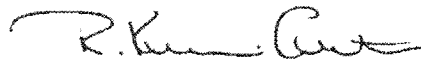
- The hearing will not be an original fact finding hearing. The purpose of the hearing will be to afford you the opportunity to indicate whether the findings of the Review Team report were supported by competent, material, and substantial evidence on the whole record. Therefore, as the Governor indicated in his letter, any information which you wish to present that was not available to the Review Team, or that concerns actions taken by City officials since the Review Team filed its report, or that concerns actions City officials anticipate taking in the future to address the financial emergency in the City, will be considered beyond the scope of the hearing.
- The hearing will not be an adversarial proceeding. Formal rules of evidence will not apply and there will be no right to call witnesses or to cross examine other parties.
- Each side (the Review Team and City officials) will be given 30 minutes to make its presentation. This will consist of an initial presentation by each side not to exceed 20 minutes, followed by up to ten minutes for rebuttal. More than one person per side may present, but the total time per side will not exceed 30 minutes.

DeAndre Windom  
February 7, 2014  
Page Two

- You may submit written information to me prior to the hearing. You may also submit any additional written information to me by 5:00 P.M., on Wednesday February 12, 2014.

I trust that this information will be of assistance to you. If I can be of further assistance, let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Kevin Clinton". The signature is fluid and cursive, with a large initial "R" and a stylized "C" at the end.

R. Kevin Clinton  
State Treasurer

cc: Governor Rick Snyder  
Thomas F. Saxton, Chief Deputy Treasurer  
Ashley Gelisse, Senior Policy Advisor  
Frederick Headen, Legal Advisor

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# Regional Issues and Current Activities

- Litigation of retiree healthcare cuts could affect numerous municipalities statewide
- Continuing substantial decline in taxable values in several southeastern Michigan communities coupled with Headlee limitations
- Pending personal property tax change; could affect industrial based communities significantly
- Treasury is continuing to develop an early warning system for distressed units
- Local Government Task Force recommendations being implemented in two stages
- Revenue sharing - Cooperative grant assistance program has awarded funds totaling in excess of \$25 million since inception
- MMSA key projects – Financial Management System and Virtual Health and Wellness; continuing toward full implementation

# Emergency Manager Communities

- **Allen Park**

- Emergency Manager Joyce Parker - anticipated exit September 26, 2014
- Restructure movie studio debt; Time Equities offer to purchase the Southfield Lease Properties for \$12 million (properties consisting of 104 acres and the occupied building having approximately 773,000 square feet)
- Complete bond tender offer to secure potential savings of \$26 million until bonds mature in 2039
- Residential property values are projected to increase by approximately 5%
- Resolve retiree healthcare litigation
- Confirm OPEB liability reduction estimated at \$400,000 – \$500,000 annually



# Emergency Manager Communities

- **Benton Harbor**
  - Emergency Manager Tony Saunders - exit February 28, 2014
  - City Manager Darwin Watson appointed
  - \$2.3 million emergency loan approved 2/11/14 to pay delinquent accounts payable
  - Michigan Municipal League facilitating training for City Council
  - Nominees for the RTAB are forthcoming
  - EM exit transition document drafts to Governor's Office on 2/14/14 (e.g. EM letter stating financial emergency ended, EM final order, EM termination letter, and RTAB appointment letter)



# Emergency Manager Communities

- **Detroit**

- Emergency Manager Kevin Orr - anticipated exit September 26, 2014
- Property values are projected to decline by 14%
- In conjunction with the TMA analysis (property tax record reviews) the State Tax Commission on 2/10/14 has asked the City to provide a plan to correct assessment inconsistencies
- City Income Tax – Treasury is working with the City regarding resident and non-resident forms, compliance, collections, and associated costs
- Health Benefits Management – MMSA continuing to adjust enrollment activities to final mediation negotiations
- FAB interface with city departments is ongoing; full FAB meets every other month

# Emergency Manager Communities

- **Flint**

- Emergency Manager Darnell Earley - anticipated exit April 8, 2015
- Emergency Manager imposed changes to retiree healthcare are being challenged in court; annual retiree healthcare cost is \$5 million after the 6<sup>th</sup> Circuit Court stayed the temporary restraining order
- Court decision jeopardizes \$500 million in OPEB savings already realized, as well as future ability to reduce OPEB debt
- Treasury cannot approve City's Deficit Elimination Plan until lawsuit is resolved
- 31% overall drop in crime and resolve Public Safety funding shortfall of \$7 million as a result of certain federal grants expiring during FY 2015
- Monitor completion of the Karegnondi Water Authority to resolve cost issues with DWSD
- Ernst & Young is conducting a financial analysis of the water/sewer system and Hurley Hospital
- Michigan Municipal Training facilitated for local elected officials





# Emergency Manager Communities

- **Hamtramck**

- Emergency Manager Cathy Square - anticipated exit June 30, 2015 (6 months before statutory deadline)
- Negotiated healthcare plan for employees – reduces costs by \$700,000 annually
- Emergency Manager imposed new healthcare plan for retirees - annually reduces costs by \$1.2 million annually (pending litigation)
- Outsourced Building Department –contracted operation of department to private vendor and transformed expense into a revenue
- Highland Park agreed to allow Hamtramck to privatize income tax collection for both communities
- Resolve \$2.1 million liability to MERS through issuance of future emergency loan as part of its overall financial strategy
- Fill City Manager position



# Receivership Transition Advisory Board Communities

- **Ecorse**
  - RTAB appointed - May 1, 2013
  - City has received \$350,000 in CDBG funding to help reduce blighted structures
  - Resolve projected \$400,000 structural deficit beginning in FY 2015-2016
  - City Council recently rejected a \$327,150 CGAP Grant award for consolidation of services; foregoing a savings of \$155,000 annually for five years
  - Residential property values are projected to decline by 17%
  - Hire City Administrator



# Receivership Transition Advisory

## Board Communities

- **Pontiac**
  - RTAB appointed - August 19, 2013
  - Residential property values are projected to increase by 2%
  - In tow years resolve annual \$6 million retiree healthcare obligation
  - Proceed with demolition process of Phoenix Center
  - Resolve police/fire VEBA funding – fund has \$34 million in assets that may be depleted in 15 years
  - Facilitating transition of additional responsibilities to the Mayor



# Consent Agreement Communities

- **Inkster**
  - Signed consent agreement - February 29, 2012
  - Residential property values are projected to decline by 17%
  - Complete operational evaluation of Police Department/resolve staffing issues
  - Review excessive litigation expenses and attorney fees - \$750,000 annually – cost is exacerbated by insufficient liability insurance
  - Complete consolidation of shared services with other communities



# Consent Agreement Communities

- **River Rouge**
  - Signed consent agreement - December 15, 2009
  - Achieved fund balance of \$170,000 during FY 2012-2013
  - Residential property values are projected to decline by 17%
  - Address impact of lost U.S. Steel tax settlement revenue in FY 2015/2016



# Communities Currently Under Review

- **Highland Park**

- Financial emergency declared - January 30, 2014
- PA 436 appeal hearing held - February 11, 2014
- Residential property values are projected to decline by 17%
- Resolve outstanding borrowing of \$25 million and legal action against 5/3 Bank over pension funding
- Resolve \$18 million in outstanding payables to DWSD and comply with the 2012 MDEQ corrective action orders regarding the water system
- Complete financial forecasting work by Ernst & Young





# Communities Currently Under Review

- **Lincoln Park**

- Financial Review Team appointed - February 10, 2014; report due in 60 days
- Residential property values are projected to decline by 3%
- Complete financial forecasting work by O'Keefe & Associates

- **Royal Oak Township**

- Financial emergency declared - January 30, 2014
- PA 436 appeal hearing held February 11, 2014
- Projected residential property value decrease of 2%
- Completed financial forecasting work by Rehmann Robson
- Township owes over \$300,000 to Oakland County for police services
- Resolve persistent internal governance issues among Board members



# Other Significantly Stressed Communities

- **Wayne County**

- PA 436 triggers have been hit – preliminary review has not been initiated
- Consistent overspending by certain elected officials – from FY 2008 – 2013, overspending by Sheriff accounted for 50% of the overall county-wide deficit
- Annually issues short-term note to address cash flow problems
- Proposed Deficit Elimination Plan includes a number of options to resolve \$175 million of accumulated deficit (e.g. establishment of waste water authority, negotiations of collective bargaining agreements and approval by County Commission, transfer of surplus from delinquent tax revolving fund for general operating expenditures) – many of these options may not be feasible, and/or lack support of key county officials





# Other Significantly Stressed Communities

- **Melvindale**
  - PA 436 triggers have been hit – preliminary review has not been initiated
  - Residential property values projected to be nearly flat (0.50%)
  - FY 2013 unaudited General Fund operating deficit is \$1.14 million
  - Outstanding accounts payable of \$773,000 of which 68% are over 90 days
  - Two short-term notes issued in December 2013; City issued short-term notes for cash flow purposes every year since 2001
  - Operation of ice arena continues to be drain on City resources; disposal of ice arena is being explored

# Other Watch Communities

- Caseville
- Taylor
- Village of Pierson
- Village of Elberta
- Elm River Township
- Augusta Township
- Genesee County
- Genesee Township
- Hazel Park
- Mount Morris Township
- Oak Park
- Riverview
- Romulus
- Southgate
- Taylor
- Village of Garden
- Village of Prescott
- Wakefield



## Wurfel, Sara (GOV)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, November 23, 2015 10:24 AM  
**To:** Wurfel, Sara (GOV); Murray, David (GOV)  
**Subject:** FW: Response from Marc Edwards - FW: Request for Disclosure of Official Files - FOIA 0367-16  
**Attachments:** 0367-16 Executive Division.pdf

---

**From:** Shaler, Karen (DEQ)  
**Sent:** Friday, November 20, 2015 4:41 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Response from Marc Edwards - FW: Request for Disclosure of Official Files - FOIA 0367-16

Brad,

I'm forwarding the response I received from Marc Edwards after I sent the attached PDF to him in response to FOIA 0367-16. The PDF includes a few pages from Jim Sygo and George Krisztian and the 41 pages that you gave me.

I'm not planning to respond to Marc. Please respond as you deem appropriate. Thanks.

Karen

---

**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Friday, November 20, 2015 4:28 PM  
**To:** Shaler, Karen (DEQ)  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Thanks. I am perplexed that there is not a single responsive e-mail between Sara and Brad Wurfel, from the time period July 1 to September 10<sup>th</sup>.

Is it MDEQ's position that there are no e-mails between these individuals in that time period?

Was my request misinterpreted somehow?

Marc

---

**From:** Shaler, Karen (DEQ) [<mailto:SHALERK@michigan.gov>]  
**Sent:** Friday, November 20, 2015 4:00 PM  
**To:** Marc Edwards  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Marc,

I have received payment confirmation from our Cashier's Office, so attached are the Executive Division's records for FOIA 0367-16.

Karen

---

**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Thursday, November 19, 2015 7:38 PM  
**To:** Shaler, Karen (DEQ)  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Karen,

I am sure that you are waiting for the cashier. However, it has been a week since my FOIA payment has cleared. I really hope I can get it before the weekend.

Marc

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 11/11/2015	11/12/2015	Sale	DEQ FREEDOM OF INFO ACT	\$17
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**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Thursday, November 12, 2015 1:57 PM  
**To:** 'Shaler, Karen (DEQ)'  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Thanks! Marc

---

**From:** Shaler, Karen (DEQ) [<mailto:SHALERK@michigan.gov>]  
**Sent:** Thursday, November 12, 2015 1:47 PM  
**To:** Marc Edwards  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Hi Marc,

Our office was closed for Veterans Day yesterday, so I wasn't able to have a FOIA invoice prepared for FOIA 0367-16 until today (see attached PDFs for your records). Please note that a FOIA invoice is prepared for each FOIA response, so if you have any future FOIA requests, you'll need to wait to make a payment until you receive the applicable invoice to avoid confusion in our Cashier's Office about why you paid more than the invoiced amount.

In this case, I spoke with our Cashier's Office this morning about your payment for two FOIAs using one invoice, so I'm working it out with them to ensure they credit you with payment for both invoices.

As before, when the Cashier's Office confirms payment, the records will be e-mailed to you. Please let me know if you have any questions. Thanks.

Karen

---

**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Wednesday, November 11, 2015 12:47 PM  
**To:** Shaler, Karen (DEQ)  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Hi Karen,

This is the payment for 0367-16 (no invoice yet) plus the other invoice you sent (\$93.90+\$77.80). Two FOIA's paid for at one time.

Best Regards,  
Marc

---

**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Tuesday, November 10, 2015 5:15 PM  
**To:** 'Shaler, Karen (DEQ)'  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Yes, please send an invoice ASAP and I will pay.  
Marc

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**From:** Shaler, Karen (DEQ) [<mailto:SHALERK@michigan.gov>]  
**Sent:** Tuesday, November 10, 2015 5:08 PM  
**To:** [edwardsm@vt.edu](mailto:edwardsm@vt.edu)  
**Subject:** Request for Disclosure of Official Files - FOIA 0367-16

Dear Marc Edwards,

This is in response to your attached Freedom of Information Act request.

The Department of Environmental Quality's Executive Division has some of the records you requested.

Attached is a FOIA cost estimate totaling \$93.90 related to labor costs for our staff searches/reviews and e-mailing the records to you. I will need to know whether or not you want to pursue obtaining a copy of these records. If you do still want them, I will have a FOIA Invoice prepared and will e-mail it to you, which would require payment before I could process your request further.

Please confirm how you would like to proceed. Thank you.

Karen Shaler  
Management Assistant to Chief Deputy Director Jim Sygo  
FOIA Liaison, Executive Division  
Michigan Department of Environmental Quality  
Constitution Hall, 6th Floor South  
P.O. Box 30473  
Lansing, MI 48909-7973  
Phone: 517-284-6709  
Fax: 517-241-7401  
[shalerk@michigan.gov](mailto:shalerk@michigan.gov)

**Krisztian, George (DEQ)**


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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, October 19, 2015 8:36 AM  
**To:** Wurfel, Sara (GOV); Murray, David (GOV); Agen, Jarrod (GOV); Muchmore, Dennis (GOV); Wyant, Dan (DEQ)  
**Cc:** Tommasulo, Karen (DEQ); Krisztian, George (DEQ); Sygo, Jim (DEQ); Eisner, Jennifer (DHHS)  
**Subject:** DRAFT DEQ Statement on leadership change And KEY MESSAGES-- Need review ASAP  
**Importance:** High

This is going out to media as soon as I've got green light from folks in the "to" line. Everyone else is also welcome to share thoughts as well.

Thanks for fast review.

b

Brad Wurfel  
Communications Director  
Michigan Department of Environmental Quality  
517-284-6713  


***DEQ Director Dan Wyant today made the following statement as he announced DEQ Chief Deputy Jim Sygo will immediately assume the role of interim chief of the department's Office of Drinking Water and Municipal Assistance:***

"It recently has become clear that our drinking water program staff made a mistake while working with the City of Flint. Simply stated, staff employed a federal protocol they believed was appropriate, and it was not. The water testing steps followed would have been correct for a city less than 50,000 people, but not for a city of nearly 100,000.

As details of the situation emerge, I am convinced our program staff believed they were doing their job right. As the state recognized there could be a health threat to Flint residents, we took appropriate steps. We are now embarked on an unprecedented effort to safeguard Flint residents and families with near-term, intermediate and long-term actions to protect and educate city residents.

The issue in DEQ is experience and protocol with respect to corrosion control. The Governor has called for an independent, third-party after-action review. I have taken the step of changing leadership in the division. We are working with our federal partners and committed to being part of the U.S. EPA's effort to strengthen its Lead and Copper rule.

All who brought this issue to the department deserve credit for bringing it forward. Lead is a serious issue, particularly for young people, and we take it seriously. The Governor's plan incorporates the suggestions outlined by the EPA and researchers at Virginia Tech.

We will learn from this. We will make necessary changes to see to it that our program becomes a national leader in public health protection."

### **KEY MESSAGES:**

1. It is increasingly clear through internal review at DEQ that staff overseeing drinking water mistakenly applied the wrong federal protocol when the city of Flint switched to the Flint River.
2. Today's announcement of new leadership in that division aligns with the states goal: make sure the public health is protected in Flint and elsewhere in the state, and ensure we learn from this so it never happens again.
3. The governor's action plan continues to protect kids and families in Flint, with the switch back to Detroit water last week, free water filtration for all city residents, and inspection of all Flint schools for lead exposure.
4. Flint families who are concerned are encouraged to take advantage of free home water testing through the city and blood lead level testing for children.

**Krisztian, George (DEQ)**

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, October 19, 2015 8:21 AM  
**To:** Wurfel, Sara (GOV); Wyant, Dan (DEQ); Krisztian, George (DEQ)  
**Subject:** Three key messages

1. It is increasingly clear through internal review at DEQ that staff overseeing drinking water mistakenly applied the wrong federal protocol when the city of Flint switched to the Flint River.
2. Today's announcement of new leadership in that division aligns with the states goal: make sure the public health is protected in Flint and elsewhere in the state, and ensure we learn from this so it never happens again.
3. The governor's action plan continues to protect kids and families in Flint, with the switch back to Detroit water last week, free water filtration for all city residents, and inspection of all Flint schools for lead exposure.
4. Flint families who are concerned are encouraged to take advantage of free home water testing through the city and blood lead level testing for children.

Sent from my iPhone



**Sygo, Jim (DEQ)**

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Sunday, October 18, 2015 10:49 PM  
**To:** Wyant, Dan (DEQ); Pallone, Maggie (DEQ); Sygo, Jim (DEQ); Krisztian, George (DEQ)  
**Cc:** Tommasulo, Karen (DEQ); Wurfel, Sara (GOV); Murray, David (GOV); Muchmore, Dennis (GOV); Jarrod Agen; Clement, Elizabeth (GOV)  
**Subject:** Fwd: det news

<http://www.detroitnews.com/story/news/environment/2015/10/18/deq-mistakes/74198882/>

## Michigan DEQ vows changes in Flint water crisis

Jim Lynch, The Detroit News 8:31 p.m. EDT October 19, 2015



(Photo: Dale G. Young / The Detroit News)

Michigan's top environmental official acknowledged the state made mistakes in its handling of Flint's long-running water crisis, and said changes would be made, including reassigning a top official responsible for the safety of drinking water.

Dan Wyant, director of Michigan's Department of Environmental Quality, said late Sunday that staff members applied the wrong standards of the Lead and Copper Rule that governs testing and monitoring for drinking water. The result was that proper controls regarding corrosion were not put in place when the city began drawing its water from the Flint River in spring 2014.

"Our actions reflected inexperience, and our public response to criticism was the wrong tone early in this conversation," Wyant said. "But the best we can do with the situation going forward is represented in our present course. ... We will learn from this. We will make necessary changes to see to it that our program becomes a national leader in (lead) protection."

The changes will include the reassignment of Liane Shekter Smith, chief of DEQ's Office of Drinking Water and Municipal Assistance. Gov. Rick Snyder will also introduce an independent, third-party review of the state's handling of Flint's water issues.

Wyant's announcement comes after months of rising concerns among Flint residents over the safety of their drinking water and lead contamination. It also comes after the recent release of inter-agency communications relating to Flint's situation that demonstrate confusion behind the scenes.

State officials seemingly failed to heed repeated warnings from the Environmental Protection Agency as far back as February about potential problems with Flint's water system.

Communications released this week between the federal agency and DEQ also show how an environmental law designed to protect the public allowed the government to utilize questionable water testing practices and move slowly in addressing problems, all while remaining "in compliance" with regulations.

Critics hold the state responsible for the current situation, since Snyder's appointed emergency manager was in charge when the decision was made to begin drawing water from the Flint River in 2014 to save money. State officials have said that move was a "city decision."

Problems began then, including residents saying tap water had strange coloring, smell and taste. In the last month, those concerns were dramatically heightened by studies that show lead levels in some children have risen since the switch from Detroit's water system. Those studies showed that, in some areas, lead levels in children's blood samples have doubled and, in two ZIP codes, tripled.

### Many opportunities missed

Emails and letters released by the state this week show many missed opportunities for health and environmental agencies to identify the lead problems months ago.

In February, an EPA official assessing Flint's situation raised several concerns with DEQ, particularly with the way the state conducted testing to ensure water coming into city homes was safe to drink. Such testing is required by the federal Lead and Copper Rule.

"Particulate lead release is a normal part of the corrosion process and it is universal (common) in all systems," wrote Miguel Del Toral, regulations manager for EPA's Region 5, in a Feb. 27 email to two DEQ staffers.

"It's just that it's not captured as often by the infrequent (Lead and Copper Rule) sampling. If systems are pre-flushing the tap the night before collecting ... samples ... (MDEQ still provides these instructions to public water systems) this clears particulate lead out of the plumbing and biases the results low by eliminating the highest lead values. ...

"The particulate lead is being flushed away before collecting compliance samples which provides false assurance to resident about the true lead levels in the water."

Del Toral would repeat the same concerns in a widely publicized unofficial memo in April. But at each step along the way, city and officials responded to testing queries by saying their approach met federal guidelines. As recently as Sept. 3, Flint's Public Works Director Howard Croft supported the testing methods used.

"We have performed over one hundred and sixty lead tests throughout the city since switching over to the Flint River and remain with the EPA standards," he wrote. "It is also worth noting ... there are different lead testing methods used within the industry and the city remains consistent with the most recent EPA approved testing method which can produce different results than other methods."

#### Corrosion control lacking

At the same time Del Toral expressed concerns with Michigan's testing methods, EPA officials also identified another major potential problem with Flint's water system: corrosion control. Under the Lead and Copper Rule, Flint was required to provide "optimal corrosion control" — water additives that prevent lead from old plumbing and service lines from leaching into the drinking water.

Two February EPA emails to the DEQ released this week indicated the federal agency was perplexed by what appeared to be a lack of such controls in the Flint system. Responses from Michigan over the next several months indicate no such controls were in place. An April 24 email from one DEQ staffer stated bluntly: "Flint is currently not practicing any corrosion control treatment at the water plant."

On Sunday, Wyant said staffers applied standards of the Lead and Copper Rule that were designed for populations below 50,000. Flint has a population of roughly 100,000, which triggers a different set of criteria and includes performing two six-month testing programs of local water to determine proper corrosion controls.

"None of the DEQ staff in this division had ever worked on a water source switch for a community of over 50,000 people," he said. "It's increasingly clear there was confusion here, but it also is increasingly clear that DEQ staff believed they were using the proper federal protocol and they were not."

The emails released this week also raise questions about statements made by Wyant earlier this month at a news conference. When asked about what corrosion controls had been used since Flint began drawing its water from the river, Wyant indicated the system had been using lime.

Virginia Tech professor Marc Edwards, whose research on Flint's water had directly challenged many of the state's assertions in recent months, said lime could actually increase the corrosivity of the water interacting with lead plumbing lines. Edwards made the original FOIA request and received the corresponding documents first. DEQ officials later released those documents to the media.

Earlier this week, Wyant addressed his statement about lime in a written response to questions.

"I was relaying what staff and consultants have indicated to me," he said. "Lime softening was used to address the hardness of the water. While this has an impact on pH, testing bore out that more needed to be done."

#### State, EPA officials disagree

State environmental officials and their EPA counterparts apparently disagreed over the corrosion control issue for much of this year. Once Del Toral's concerns were raised in February, a DEQ official explained why the state had not accounted for corrosion.

Documents released this week include notes from a July meeting between the parties where the state highlighted its reasoning: "MDEQ explained that they did not treat the switch to Flint River water as a 'new system,' but as a new source. It is their understanding that two rounds of six-month testing is still needed to characterize the water quality. They don't know what optimized is until those two rounds of six-month monitoring are completed."

Emails from this spring show MDEQ officials eventually recognized the need for additional corrosion control measures, yet little progress was made on the issue — right up until Friday's announcement that Flint had switched back to getting its water from the Detroit Water and Sewerage Department.

That type of pacing is completely permissible under the Lead and Copper Rule. Busch, of the DEQ, described the schedule laid out by the federal law.

"They now have to complete a study (within 18 months) and are then allowed a period of additional time (2 additional years) to install the selected treatment for fully optimized corrosion control," Busch wrote in July. "We are planning to suggest the city directly submit a treatment process to shorten the time-line to achieve full optimization. This letter is currently being drafted but won't be ready to mail out for another week."

JLynch@detroitnews.com

(313) 222-2034

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[\(/videos/news/3736394984001/4521572268001\)](#)

**DUE TOMORROW ≠ DO TOMORROW** **Finish homework faster** **Chegg**

**Sygo, Jim (DEQ)**

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, October 19, 2015 8:36 AM  
**To:** Wurfel, Sara (GOV); Murray, David (GOV); Agen, Jarrod (GOV); Muchmore, Dennis (GOV); Wyant, Dan (DEQ)  
**Cc:** Tommasulo, Karen (DEQ); Krisztian, George (DEQ); Sygo, Jim (DEQ); Eisner, Jennifer (DHHS)  
**Subject:** DRAFT DEQ Statement on leadership change And KEY MESSAGES-- Need review ASAP  
**Importance:** High

This is going out to media as soon as I've got green light from folks in the "to" line. Everyone else is also welcome to share thoughts as well.

Thanks for fast review.

b

Brad Wurfel  
Communications Director  
Michigan Department of Environmental Quality  
517-284-6713  
[REDACTED] cell

***DEQ Director Dan Wyant today made the following statement as he announced DEQ Chief Deputy Jim Sygo will immediately assume the role of interim chief of the department's Office of Drinking Water and Municipal Assistance:***

"It recently has become clear that our drinking water program staff made a mistake while working with the City of Flint. Simply stated, staff employed a federal protocol they believed was appropriate, and it was not. The water testing steps followed would have been correct for a city less than 50,000 people, but not for a city of nearly 100,000.

As details of the situation emerge, I am convinced our program staff believed they were doing their job right. As the state recognized there could be a health threat to Flint residents, we took appropriate steps. We are now embarked on an unprecedented effort to safeguard Flint residents and families with near-term, intermediate and long-term actions to protect and educate city residents.

The issue in DEQ is experience and protocol with respect to corrosion control. The Governor has called for an independent, third-party after-action review. I have taken the step of changing leadership in the division. We are working with our federal partners and committed to being part of the U.S. EPA's effort to strengthen its Lead and Copper rule.

All who brought this issue to the department deserve credit for bringing it forward. Lead is a serious issue, particularly for young people, and we take it seriously. The Governor's plan incorporates the suggestions outlined by the EPA and researchers at Virginia Tech.

We will learn from this. We will make necessary changes to see to it that our program becomes a national leader in public health protection."

### **KEY MESSAGES:**

1. It is increasingly clear through internal review at DEQ that staff overseeing drinking water mistakenly applied the wrong federal protocol when the city of Flint switched to the Flint River.
2. Today's announcement of new leadership in that division aligns with the states goal: make sure the public health is protected in Flint and elsewhere in the state, and ensure we learn from this so it never happens again.
3. The governor's action plan continues to protect kids and families in Flint, with the switch back to Detroit water last week, free water filtration for all city residents, and inspection of all Flint schools for lead exposure.
4. Flint families who are concerned are encouraged to take advantage of free home water testing through the city and blood lead level testing for children.

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Monday, October 19, 2015 2:35 PM  
**To:** Wurfel, Brad (DEQ)  
**Cc:** Murray, David (GOV)  
**Subject:** Re: Third-Party review question

Send him our way, pls - we're going to say something like this for now "Pulling together this after action review team and plan is actively underway now. We'll have something to announce and discuss soon."

Sara Wurfel  
Press Secretary | Executive Office of Governor Rick Snyder

Sent from my iPhone

On Oct 19, 2015, at 2:32 PM, Wurfel, Brad (DEQ) <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)> wrote:

Where we at with this announcement?

Sent from my iPhone

Begin forwarded message:

**From:** "Wisely, John" <[jwisely@freepress.com](mailto:jwisely@freepress.com)>  
**Date:** October 19, 2015 at 12:52:49 PM EDT  
**To:** "Wurfel, Brad (DEQ)" <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Subject:** Third-Party review question

Brad:

The statement from Dan Wyant includes this:  
The Governor has called for an independent, third-party after-action review.

Questions:

Who/what is the third party?

Is it the legislature?

A committee of experts to be appointed?

Senate Minority leader (from Flint) wants legislative review. Is that something the state is prepared to assist with?

Please let me know asap.

John Wisely  
Reporter

Phone: 313-222-6825  
[jwisely@freepress.com](mailto:jwisely@freepress.com)  
Follow me on Twitter: @jwisely





## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Monday, October 12, 2015 2:15 PM  
**To:** Wyant, Dan (DEQ); Pallone, Maggie (DEQ); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ)  
**Subject:** FW: Comment sought on Rep. Phelps Files Suit Against State of Michigan, City of Flint  
**Attachments:** Phelps\_Verified FOIA Complaint.pdf

Need to make sure I understand the full background and story on this.

---

**From:** Gary Ridley [mailto:GRIDLEY@mlive.com]  
**Sent:** Monday, October 12, 2015 1:39 PM  
**To:** Bitely, Andrea (AG) <BitelyA@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>  
**Subject:** Comment sought on Rep. Phelps Files Suit Against State of Michigan, City of Flint

Hi,  
I wanted to see if the state had any comment in response to this lawsuit.

Thanks.

--  
Gary Ridley | The Flint Journal-MLive Media Group | 810-280-9516 | [gridley@mlive.com](mailto:gridley@mlive.com)

---

**From:** Rosemary Jones [mailto:RJones@house.mi.gov]  
**Sent:** Monday, October 12, 2015 1:33 PM  
**To:** Rosemary Jones  
**Subject:** Rep. Phelps Files Suit Against State of Michigan, City of Flint

FOR IMMEDIATE RELEASE  
Monday, Oct. 12, 2015

Contact: Rep. Phil Phelps  
Phone: (517) 373-7515

# Rep. Phelps Files Suit Against State of Michigan, City of Flint

*State, city failed to release documents sought in FOIA request*

LANSING — State Representative **Phil Phelps** (D-Flushing) announced earlier today that he is filing suit against the state of Michigan and the city of Flint to force them to release public documents he requested last month under the Freedom of Information Act (FOIA).

"It's an absolute shame that I have to file suit to force our government to comply with the law," Phelps said. "I was shocked at their response, because prior to receiving the denials, officials from both the city and state had told me that not only did documents exist, but they would be happy to share them with me."

On Sept. 4 of this year, Phelps requested that the city and state turn over all documents and emails regarding the permit and application process that Flint's emergency manager was required to complete before the Michigan Department of Environmental Quality gave the go ahead to the city to start using the Flint River as its source of drinking water. Late last month, the state and the city both denied Phelps' request, saying that no such documents exist.

In March and April of 2014, officials from both the city and state were also quoted in several articles on Mlive.com, making comments about the permit application process for Flint to switch its source of drinking water from Detroit's system to the Flint River.

"I want to know what these officials knew about the safety and quality of the river water before the switch was made. Judging by their response and recent actions, it almost seems they knew a lot more than they are letting on to," Phelps said. "Flint residents deserve better than this, they deserve to know the truth about the decisions that were made, and if I have to fight this in court to get the truth, so be it."

###

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Rosie Jones  
Deputy Press Secretary  
Michigan House Democrats  
O: 517.373.3731

  
housedems.com

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, October 07, 2015 7:17 PM  
**To:** Biehl, Laura (GOV); Murray, David (GOV); Agen, Jarrod (GOV); Heaton, Anna (GOV); Kennedy, Jordan (GOV); Brown, Jessica (GOV); Paciorek, Josh (GOV); Lasher, GERALYN (DHHS); Minicuci, Angela (DHHS); Eisner, Jennifer (DHHS); Tommasulo, Karen (DEQ); Clement, Elizabeth (GOV); Muchmore, Dennis (GOV); Posthumus, Dick (GOV); Baird, Richard (GOV); Calley, Brian (GOV); Forstner, Nathaniel (GOV); Hollins, Harvey (GOV); Wurfel, Brad (DEQ); Pallone, Maggie (DEQ)  
**Subject:** RE: URGENT review please -- Draft Flint water release

Looping in Harvey, Brad and Maggie here too ...

**From:** Biehl, Laura (GOV)  
**Sent:** Wednesday, October 07, 2015 6:46 PM  
**To:** Murray, David (GOV) <MurrayD1@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Heaton, Anna (GOV) <HeatonA@michigan.gov>; Kennedy, Jordan (GOV) <KennedyJ4@michigan.gov>; Brown, Jessica (GOV) <BrownJ53@michigan.gov>; Paciorek, Josh (GOV) <Paciorek@j@michigan.gov>; Lasher, GERALYN (DHHS) <lasherg@michigan.gov>; Minicuci, Angela (DHHS) <MinicuciA@michigan.gov>; Eisner, Jennifer (DHHS) <EisnerJ@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Tommasulo, Karen (DEQ) <TommasuloK@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Posthumus, Dick (GOV) <Posthumusd@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Calley, Brian (GOV) <CalleyB@michigan.gov>; Forstner, Nathaniel (GOV) <forstnern1@michigan.gov>  
**Subject:** RE: URGENT review please -- Draft Flint water release

See new version attached. Small revisions made and placeholders added for Mayor and Mott Foundation Quotes.

**From:** Murray, David (GOV)  
**Sent:** Wednesday, October 07, 2015 6:12 PM  
**To:** Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Biehl, Laura (GOV) <BiehlL@michigan.gov>; Heaton, Anna (GOV) <HeatonA@michigan.gov>; Kennedy, Jordan (GOV) <KennedyJ4@michigan.gov>; Brown, Jessica (GOV) <BrownJ53@michigan.gov>; Paciorek, Josh (GOV) <Paciorek@j@michigan.gov>; Lasher, GERALYN (DHHS) <lasherg@michigan.gov>; Minicuci, Angela (DHHS) <MinicuciA@michigan.gov>; Eisner, Jennifer (DHHS) <EisnerJ@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Tommasulo, Karen (DEQ) <TommasuloK@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Posthumus, Dick (GOV) <Posthumusd@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Calley, Brian (GOV) <CalleyB@michigan.gov>; Forstner, Nathaniel (GOV) <forstnern1@michigan.gov>  
**Subject:** URGENT review please -- Draft Flint water release

Team,

Please review this draft press release for the Thursday announcement in Flint. This incorporates some suggested edits to the strong draft from DEQ earlier today.

Thank you very much.

# **Gov. Rick Snyder: Move back to Detroit water provides best protection for public health in Flint**

*State, Mott Foundation and city form partnership to fund switch*

FLINT, Mich. – Flint families and children will be better protected by reconnecting with the Great Lakes Water Authority as the source of the city's drinking water, Gov. Rick Snyder said.

Snyder said Thursday that he will request the state Legislature to provide a portion of the \$12 million needed to reconnect with the authority, with the Flint city government providing \$2 million and the Charles Stewart Mott Foundation donating \$4 million.

The Michigan Department of Health and Human Services and the Department of Environmental Quality today also committed an additional \$3.5 million for water filters, free lead testing through the state laboratory for Flint water customers, and hiring additional staff to conduct health exposure monitoring for lead in drinking water.

Flint city leaders requested the state's help to fund the reconnection after a Wednesday meeting of Flint's Technical Advisory Committee. Flint's move to the Great Lakes Water Authority is expected to cost about \$1.3 million per month until the Karegnondi Water Authority is completed next summer.

"All Flint residents need clean, safe drinking water," Snyder said. "The technical experts helping the city on its water advisory all agree this move back to the Great Lakes Water Authority provides the best public health protection for children and families. This effort today is the result of people coming together to solve a problem. I appreciate Detroit's willingness to reconnect with Flint, the Mott Foundation's generous donation, and the dedication of all parties to come together to protect Flint families and children."

The move to Detroit water, which is drawn from Lake Huron, carries many public health benefits. As large bodies of water, the Great Lakes are naturally prone to fewer problems from large rain events and other runoff issues that can be present in shallower rivers. Additionally, the Great Lakes Water Authority has already fully optimized its corrosion control, using phosphates to help coat the insides of pipes and prevent lead from leaching into the water.

However, reconnecting with the authority will not completely resolve the city's problem with lead service lines or aging infrastructure. It will take time for pipes in Flint to become coated with the phosphate corrosion control. Additionally, some households in the city could experience lead in their drinking water until all lead pipes and plumbing are replaced.

To best protect public health, Snyder said state and local authorities will continue to carry out steps outlined on Oct. 2 in a comprehensive action plan, including continued testing, the use of faucet filters and providing residents with accurate information about steps to eliminate lead in water.

Free filters are available for current MDHHS clients at the 125 E. Union St. or 4809 Clio Road MDHHS office locations.

For residents who are not currently enrolled in MDHHS assistance programs, free filters are available at the Genesee County Community Action Resource Department offices at 2727 Lippincott and 601 North Saginaw in Flint. Staff will be at all four locations from 9 a.m. to 4 p.m., Monday through Friday, to distribute filters and assist residents who have questions about proper installation.

At the Lippincott location only, extended hours will be offered this weekend, including until 7 p.m. on Thursday and Friday and from 10 a.m. to 2 p.m. on Saturday.

Other good practices for residents concerned about lead include turning on the cold water tap and running the water until it's as cold as it will go. Additionally, only use cold water for cooking, drinking and especially mixing baby formula.

### ***School test results released; more investigation planned***

The state today also released the first results from its lead screening program in schools and homes. Of 37 total samples taken at 13 buildings, four samples spread over three buildings exceeded the federal action level of 15 parts per billion.

However, this sampling provides only an initial screen, and the state is committing to further testing water and inspecting plumbing at these schools. Until testing is complete, schools are advised to continue using bottled water and filtration as a precaution to protect children.

In addition, free testing is still available for any other Flint school, including daycares and Head Starts. Free testing is also available for any Flint resident.

Additional information, including more detailed lead screening results, is available at [www.michigan.gov/flintwater](http://www.michigan.gov/flintwater).

###

**Dave Murray**

Deputy Press Secretary | Executive Office of Governor Rick Snyder

[MurrayD1@michigan.gov](mailto:MurrayD1@michigan.gov)

517-335-6397, office

Twitter: @michigandmurray



## **Wurfel, Brad (DEQ)**

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, October 07, 2015 1:54 PM  
**To:** Wurfel, Brad (DEQ)  
**Cc:** Shekter Smith, Liane (DEQ)  
**Subject:** RE: two questions from Gov

Didn't you say something about past statute presumed that they had already switched from lead service lines?

What about a new school opening or changing hands? At beginning of each school year?

**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, October 07, 2015 1:45 PM  
**To:** Wurfel, Sara (GOV) <Wurfels@michigan.gov>  
**Cc:** Shekter Smith, Liane (DEQ) <SHEKTERL@michigan.gov>  
**Subject:** RE: two questions from Gov

Liane, please correct me if I've got this wrong ...

In short, I believe the answer I'm going to be able to confirm yet today is that the schools have never been tested.

There is no requirement in statute for the testing of schools for lead or copper if they're using the municipal service as their supply (statute presumes they are covered same as homes by the surveillance monitoring done on households).

If the school is on its own well, it undergoes testing as a sole source.

b

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, October 07, 2015 1:27 PM  
**To:** Pallone, Maggie (DEQ); Wurfel, Brad (DEQ)  
**Subject:** FW: two questions from Gov

#1 is the Q I asked about yesterday. The Governor is still very much expecting -- and we need -- an answer to this Q. (And what is requirement or statute, or standard, or isn't there one?)

Thanks!

**From:** Agen, Jarrod (GOV)  
**Sent:** Wednesday, October 07, 2015 1:19 PM  
**To:** Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Murray, David (GOV) <MurrayD1@michigan.gov>  
**Subject:** two questions from Gov

- 1) What is our Comms response to the question: What happens in rest of the state regarding water testing in schools?

- 2) Gov is meeting with SML and Speaker this afternoon, but when do we inform Ananich and Greimel? On this one, I assume we are inviting Ananich tomorrow morning and we can just tell Greimel at that same time, right? What time are we doing that?

## **Wurfel, Brad (DEQ)**

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, October 07, 2015 1:45 PM  
**To:** Wurfel, Sara (GOV)  
**Cc:** 'Shekter Smith, Liane (DNRE) (SHEKTERL@michigan.gov)'  
**Subject:** RE: two questions from Gov

Liane, please correct me if I've got this wrong ...

In short, I believe the answer I'm going to be able to confirm yet today is that the schools have never been tested.

There is no requirement in statute for the testing of schools for lead or copper if they're using the municipal service as their supply (statute presumes they are covered same as homes by the surveillance monitoring done on households).

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**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, October 07, 2015 1:27 PM  
**To:** Pallone, Maggie (DEQ); Wurfel, Brad (DEQ)  
**Subject:** FW: two questions from Gov

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**Sent:** Wednesday, October 07, 2015 1:19 PM  
**To:** Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Murray, David (GOV) <MurrayD1@michigan.gov>  
**Subject:** two questions from Gov

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- 2) Gov is meeting with SML and Speaker this afternoon, but when do we inform Ananich and Greimel? On this one, I assume we are inviting Ananich tomorrow morning and we can just tell Greimel at that same time, right? What time are we doing that?



## **Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Wednesday, October 07, 2015 1:27 PM  
**To:** Pallone, Maggie (DEQ); Wurfel, Brad (DEQ)  
**Subject:** FW: two questions from Gov

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Thanks!

**From:** Agen, Jarrod (GOV)  
**Sent:** Wednesday, October 07, 2015 1:19 PM  
**To:** Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Murray, David (GOV) <MurrayD1@michigan.gov>  
**Subject:** two questions from Gov

- 1) What is our Comms response to the question: What happens in rest of the state regarding water testing in schools?
- 2) Gov is meeting with SML and Speaker this afternoon, but when do we inform Ananich and Greimel? On this one, I assume we are inviting Ananich tomorrow morning and we can just tell Greimel at that same time, right? What time are we doing that?

## Wurfel, Brad (DEQ)

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Tuesday, October 06, 2015 2:50 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Re: Follow-up questions

Please make sure you have Dan available too. Key.

Sent from my iPhone

On Oct 6, 2015, at 2:47 PM, Wurfel, Brad (DEQ) <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)> wrote:

Nancy,  
Trying to reach you. I've got our division chief for a bit. Is this a workable time?

Sent from my iPhone

On Oct 6, 2015, at 1:43 PM, Kaffer, Nancy <[nkaffer@freepress.com](mailto:nkaffer@freepress.com)> wrote:

Hey guys – still looking for info

---

Nancy Kaffer  
Columnist  
Detroit Free Press  
[www.freep.com/abettermichigan](http://www.freep.com/abettermichigan)  
313-222-6585  
[@nancykaffer](https://twitter.com/nancykaffer), [@abettermi](https://twitter.com/abettermi)

**From:** Kaffer, Nancy  
**Sent:** Monday, October 05, 2015 2:49 PM  
**To:** 'Wurfel, Sara (GOV)' <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)>; 'WurfelB@michigan.gov' <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Cc:** Wisely, John <[jwisely@freepress.com](mailto:jwisely@freepress.com)>  
**Subject:** FW: Follow-up questions  
**Importance:** High

Hi Sara – sent these last week and got no response. Figured some of these are MDEQ questions, so I'm adding Brad onto the list, here.

ASAP would be great.

Thanks!

N

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Nancy Kaffer  
Columnist  
Detroit Free Press  
[www.freep.com/abettermichigan](http://www.freep.com/abettermichigan)

313-222-6585  
@nancykaffer, @abettermi

**From:** Kaffer, Nancy  
**Sent:** Friday, October 02, 2015 12:06 PM  
**To:** 'Wurfel, Sara (GOV)' <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)>  
**Subject:** Follow-up questions  
**Importance:** High

- Reviewing my notes, I'm not sure I got a definitive answer from Wyant about corrosion control at the Flint water treatment plant.  
Was corrosion control in use? I'd like a simple yes or no, here – if no, obviously, why not – if yes, what was it, and why was – if any – what sounds like a lesser degree of corrosion control being used? I would like the names of the specific technologies/chemicals that were in use in the past, if in fact corrosion control was being used at the Flint plant, and the specific technologies that will be used going forward.
- Was the MDEQ unaware that there were aging lead service lines in Flint, and that those would increase the lead risk? Were the Flint water treatment folks? Why was this not taken into account in developing the water treatment plan?
- Wyant said that "two consecutive back to back tests" showed there was a problem; when were those tests performed and when were the results available?

Obviously I would like to use this information in a piece we'll have ready to go at 1:30p so ASAP would be great.

---

Nancy Kaffer  
Columnist  
Detroit Free Press  
[www.freep.com/abettermichigan](http://www.freep.com/abettermichigan)  
313-222-6585  
@nancykaffer, @abettermi

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, October 05, 2015 10:51 PM  
**To:** Wurfel, Sara (GOV)  
**Cc:** Charlie Brooks - CBS Evening News  
**Subject:** Re: Introduction and DEQ Director Dan Wyant

Hello, Charlie. I'll call you tomorrow morning. Thanks!

Sent from my iPhone

> On Oct 5, 2015, at 10:46 PM, Wurfel, Sara (GOV) <Wurfels@michigan.gov> wrote:  
>  
> Greetings, Charlie -  
>  
> Per our earlier conversation, please "meet" Brad, and Brad please "meet" Charlie. Just in case, Brad is at 517-230-8006.  
>  
> Brad can connect you with DEQ Director Dan Wyant, who can walk you through what the state has done and is doing.  
>  
> Sounds like there could be some good options for interview locations and options, including the state lab where the water testing is done.  
>  
> Will let you two work together to see what may work and be feasible.  
>  
> Thanks much,  
> SW  
>  
> Sara Wurfel  
> Press Secretary | Executive Office of Governor Rick Snyder  
>  
> Sent from my iPhone

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Monday, October 05, 2015 10:46 PM  
**To:** Wurfel, Brad (DEQ); Charlie Brooks - CBS Evening News  
**Subject:** Introduction and DEQ Director Dan Wyant

Greetings, Charlie -

Per our earlier conversation, please "meet" Brad, and Brad please "meet" Charlie. Just in case, Brad is at 517-230-8006.

Brad can connect you with DEQ Director Dan Wyant, who can walk you through what the state has done and is doing.

Sounds like there could be some good options for interview locations and options, including the state lab where the water testing is done.

Will let you two work together to see what may work and be feasible.

Thanks much,  
SW

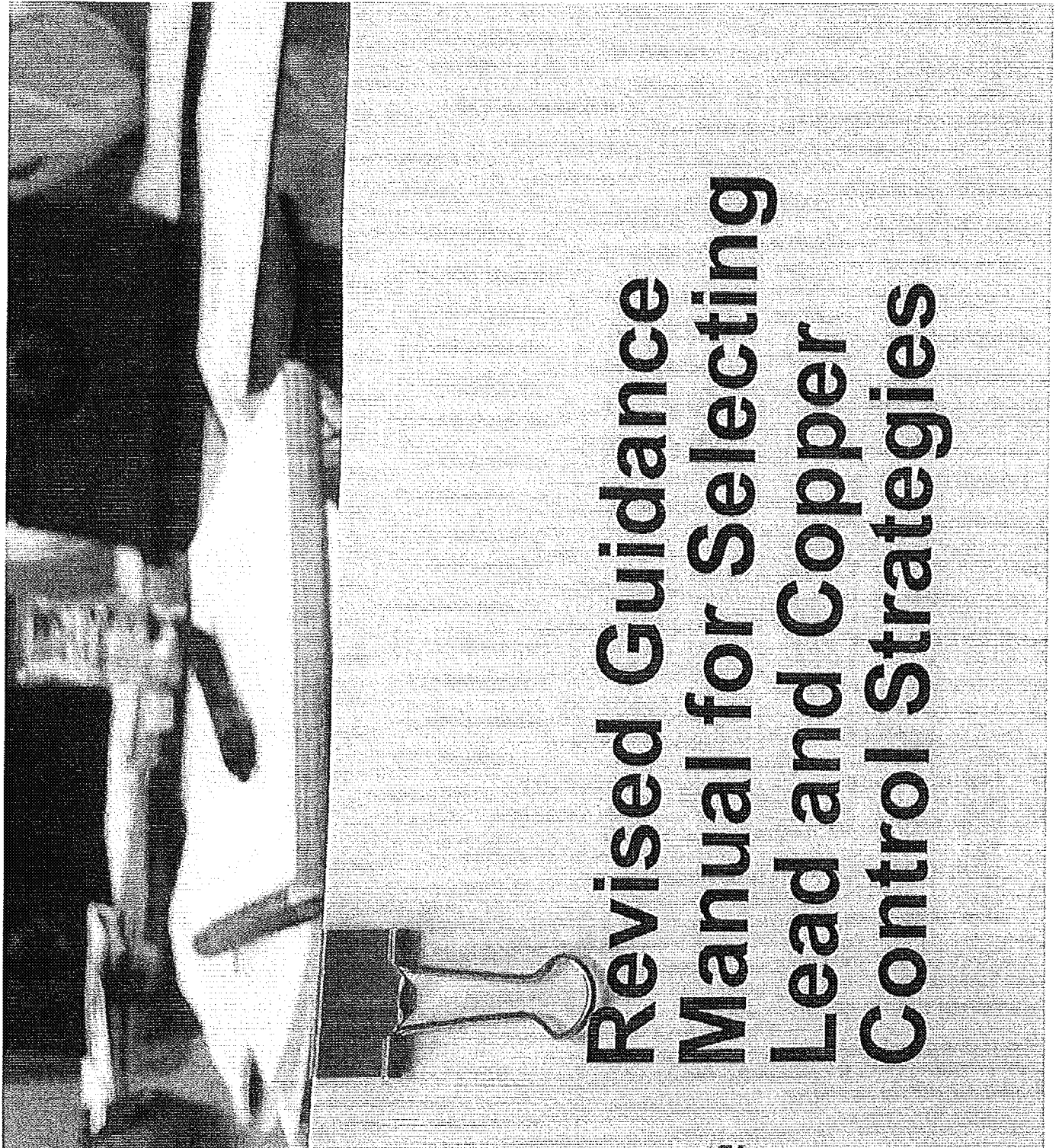
Sara Wurfel  
Press Secretary | Executive Office of Governor Rick Snyder

Sent from my iPhone

Wurfel, Brad (DEQ)

---

**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, October 05, 2015 4:20 PM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Re: CALL ME ASAP, please



Available one EPA's site by typing this title into the search engine.

b

Sent from my iPhone

On Oct 5, 2015, at 3:39 PM, Wurfel, Sara (GOV) <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)> wrote:

Sara Wurfel, APR  
Press Secretary | Executive Office of Governor Rick Snyder  
[wurfels@michigan.gov](mailto:wurfels@michigan.gov)  
517-335-6397, office  
[REDACTED]  
Twitter: @SaraLW

## **Wurfel, Brad (DEQ)**

---

**From:** Wurfel, Sara (GOV)  
**Sent:** Monday, October 05, 2015 3:37 PM  
**To:** 'Kaffer, Nancy'; Wurfel, Brad (DEQ)  
**Cc:** Wisely, John  
**Subject:** RE: Follow-up questions

Sorry, Nancy. I thought these were long covered with all follow up that was done afterward and on site with Robin.

Will touch base with DEQ team and be back in touch asap.

**From:** Kaffer, Nancy [mailto:nkaffer@freepress.com]  
**Sent:** Monday, October 05, 2015 2:49 PM  
**To:** Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Wurfel, Brad (DEQ) <WurfelB@michigan.gov>  
**Cc:** Wisely, John <jwisely@freepress.com>  
**Subject:** FW: Follow-up questions  
**Importance:** High

Hi Sara – sent these last week and got no response. Figured some of these are MDEQ questions, so I'm adding Brad onto the list, here.

ASAP would be great.

Thanks!

N

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Nancy Kaffer  
Columnist  
Detroit Free Press  
[www.freep.com/abettermichigan](http://www.freep.com/abettermichigan)  
313-222-6585  
@nancykaffer, @abettermi

**From:** Kaffer, Nancy  
**Sent:** Friday, October 02, 2015 12:06 PM  
**To:** 'Wurfel, Sara (GOV)' <Wurfels@michigan.gov>  
**Subject:** Follow-up questions  
**Importance:** High

- Reviewing my notes, I'm not sure I got a definitive answer from Wyant about corrosion control at the Flint water treatment plant.  
Was corrosion control in use? I'd like a simple yes or no, here – if no, obviously, why not – if yes, what was it, and why was – if any – what sounds like a lesser degree of corrosion control being used? I would like the names of the specific technologies/chemicals that were in use in the past, if in fact corrosion control was being used at the Flint plant, and the specific technologies that will be used going forward.



- Was the MDEQ unaware that there were aging lead service lines in Flint, and that those would increase the lead risk? Were the Flint water treatment folks? Why was this not taken into account in developing the water treatment plan?
- Wyant said that "two consecutive back to back tests" showed there was a problem; when were those tests performed and when were the results available?

Obviously I would like to use this information in a piece we'll have ready to go at 1:30p so ASAP would be great.

---

Nancy Kaffer  
Columnist  
Detroit Free Press  
[www.freep.com/abettermichigan](http://www.freep.com/abettermichigan)  
313-222-6585  
@nancykaffer, @abettermi

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, October 02, 2015 12:31 PM  
**To:** Pallone, Maggie (DEQ); Wyant, Dan (DEQ); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ)  
**Subject:** Fwd: Follow-up questions

Sent from my iPhone

Begin forwarded message:

**From:** "Kaffer, Nancy" <nkaffer@freepress.com>  
**Date:** October 2, 2015 at 12:05:53 PM EDT  
**To:** "Wurfel, Sara (GOV)" <Wurfels@michigan.gov>  
**Subject:** Follow-up questions

- Reviewing my notes, I'm not sure I got a definitive answer from Wyant about corrosion control at the Flint water treatment plant.  
Was corrosion control in use? I'd like a simple yes or no, here – if no, obviously, why not – if yes, what was it, and why was – if any – what sounds like a lesser degree of corrosion control being used? I would like the names of the specific technologies/chemicals that were in use in the past, if in fact corrosion control was being used at the Flint plant, and the specific technologies that will be used going forward.
- Was the MDEQ unaware that there were aging lead service lines in Flint, and that those would increase the lead risk? Were the Flint water treatment folks? Why was this not taken into account in developing the water treatment count?
- Wyant said that "two consecutive back to back tests" showed there was a problem; when were those tests performed and when were the results available?

Obviously I would like to use this information in a piece we'll have ready to go at 1:30p so ASAP would be great.

---

Nancy Kaffer  
Columnist  
Detroit Free Press  
[www.freep.com/abettermichigan](http://www.freep.com/abettermichigan)  
313-222-6585  
@nancykaffer, @abettermi

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, October 02, 2015 11:53 AM  
**To:** Pallone, Maggie (DEQ); Wyant, Dan (DEQ); Tommasulo, Karen (DEQ); Wurfel, Brad (DEQ)  
**Subject:** Fwd: Embargoed media conf. call - Flint water action plan

Answer is yes - but what was total number of traditional and charter public schools again?

Sent from my iPhone

Begin forwarded message:

**From:** "Livengood, Chad" <[CLivengood@detroitnews.com](mailto:CLivengood@detroitnews.com)>  
**Date:** October 2, 2015 at 11:47:46 AM EDT  
**To:** "Wurfel, Sara (GOV)" <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)>, "Murray, David (GOV)" <[MurrayD1@michigan.gov](mailto:MurrayD1@michigan.gov)>  
**Cc:** "Lynch, James" <[JLynch@detroitnews.com](mailto:JLynch@detroitnews.com)>  
**Subject:** RE: Embargoed media conf. call - Flint water action plan

Sara or Dave,

Quick follow-up question: In reference to the plan to immediately test water coming out of the faucets of all schools in Flint Community Schools, will the water at Flint's public charter schools be tested as well? I don't have an exact count, but I'm guessing there are a half-dozen or more charter schools in Flint.

-Chad

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Chad Livengood  
Capitol Reporter  
The Detroit News  
Lansing bureau: (517) 371-3660  
Cell: (517) 420-6831  
[clivengood@detroitnews.com](mailto:clivengood@detroitnews.com)  
[Twitter.com/ChadLivengood](https://twitter.com/ChadLivengood)

**From:** Wurfel, Sara (GOV) [<mailto:Wurfels@michigan.gov>]  
**Sent:** Friday, October 02, 2015 9:48 AM  
**To:** Lynch, James <[JLynch@detroitnews.com](mailto:JLynch@detroitnews.com)>; Livengood, Chad <[CLivengood@detroitnews.com](mailto:CLivengood@detroitnews.com)>  
**Subject:** Embargoed media conf. call - Flint water action plan  
**Importance:** High

Hi there Jim and Chad –

Per earlier conversations, below is information for a media conference call with Gov. Snyder and Cabinet leaders – MI Dept of Environmental Quality Director Dan Wyant of the, MI Dept of Health & Human Services Director Nick Lyon of the, and Dr. Eden Wells, the state's Chief

Medical Executive – to outline a comprehensive action plan to further address Flint water concerns.

They will also be available to answer Qs.

As agreed by you and your team, this information is fully embargoed until when the 1:30 p.m. press conference later today in Flint begins.

SPECIFIC CALL-IN DETAILS:

**Topic:** Flint water action plan

**Date:** Friday, Oct. 2

**Time:** 11:15 a.m.

**Conference Line call-in number:** [REDACTED]

**Conference line passcode:** [REDACTED]

**\*\* To ask a question during that portion of the call, please press "0." (but please refrain from pressing zero until opening remarks are completed to help ensure you don't miss any of the details).**

**\*\*NOTE\*\*:** This invitation is for planning purposes only and meant for you and/or your outlet as there are a limited number of participant lines. Please let us know if you wish to have someone else participate so we can work to accommodate.

Please let us know if who from Detroit News plans to participate or if you need anything else at all in interim.

Thanks so much,  
SW

Sara Wurfel, APR  
Press Secretary | Executive Office of Governor Rick Snyder  
[wurfels@michigan.gov](mailto:wurfels@michigan.gov)  
517-335-6397, office  
[REDACTED]  
Twitter: @SaraLW

## **Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, October 02, 2015 12:05 AM  
**To:** Wyant, Dan (DEQ); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ); Pallone, Maggie (DEQ); Lyon, Nick (DHHS); Lasher, GERALYN (DHHS); Minicuci, Angela (DHHS); Eisner, Jennifer (DHHS); Hertel, Elizabeth (DHHS)  
**Cc:** Murray, David (GOV); Kennedy, Jordan (GOV); Brown, Jessica (GOV); Thelen, Mary Beth (DEQ)  
**Subject:** Media conference call re: Flint water action plan  
**Attachments:** NR 151002 - Flint water action plan.docx; Infographic - Flint Water Action Plan 10-2-15.pdf; Infographic - Flint water tips 10-2-15.pdf; Flint water - talking points (draft 151001).docx  
**Importance:** High

Hi all –

Per conversations today, here are the details for Friday's embargoed media conference call.

Given some of the changing information, we added in a quick pre-brief with the Governor from 11 to 11:10 a.m. to give us a chance to go over any last details and finalize flow. This will be followed by the actual media conf. call from 11:15 to 11:40 a.m. Know that folks will be needing to head to Flint immediately afterward.

Sounds like we'll have Dan, Nick and Dr. Wells in person. That's great and will work best when most everyone is in the same room. The location is Romney Building, 1<sup>st</sup> floor communications conference room. The governor will be joining us from phone.

We'll need to be fairly quick in overview and framing comments so we can get to as many Qs as possible.

Please let me know if anyone has any Qs, concerns or needs anything else at all. Or if you'd like a listen only line for anyone back in the depts. to catch the call.

Otherwise, see you in the Romney by 11 a.m. tomorrow.

Thanks so much!  
SW

p.s. Also attached key documents as stand right now – release, 2 infographics and the high level points.

### **Agenda:**

11:15-11:16 AM	SW intro; sets parameters; introduces other participants; turns over to Governor for opening remarks
11:16-11:20 AM	Governor gives opening remarks; highlights reason for state action; introduces Director Wyant
11:20-11:24 AM	Director Wyant remarks; highlights key steps in the action plan; introduces Director Lyon
11:24-11:27 AM	Director Lyon remarks; highlights key health components of the plan and mentions Dr. Wells; turns back to Governor
11:27-11:37 AM	Governor opens it up for Q&A
11:37-11:39 AM	Governor closing remarks

11:39-11:40 AM SW wraps up call; reminds reporters of embargo, 1:30 p.m. press conference, and how to get a hold of everyone

**Possible Topics:**

Flint water action plan

Lead in Flint water

Handling of Flint water issue

Genesee Co. health emergency action

ACLU action

Hurley data

Reconnecting Flint to Detroit water

**Media invited:**

Flint area media (print, TV and radio) – Flint Journal/Ron Fonger; WJRT TV 12, WNEM TV 5, WEYI TV 25, WFNT Radio

Associated Press – Ed White

Detroit News – Jim Lynch

Detroit Free Press – Nancy Kaffer, Kristi Tanner & Kathy Gray

Michigan Radio – Steve Carmody

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, October 01, 2015 10:00 PM  
**To:** Wyant, Dan (DEQ); Lyon, Nick (DHHS); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ); Lasher, Geralyn (DHHS)  
**Cc:** Paciorek, Josh (GOV); Muchmore, Dennis (GOV); Hollins, Harvey (GOV); Murray, David (GOV)  
**Subject:** Fwd: FlintWater\_ActionPlan\_100115 - annotated - flattened.pdf  
**Attachments:** FlintWater\_ActionPlan\_100115 - annotated - flattened.pdf; ATT00001.htm

Hi all - attached are the Gov's edits to the order of items in the action plan.

I know we had a robust discussion about these today and everyone felt pretty deliberative and flowed, but please review and let us know if anyone has any major heartburn. Otherwise, this is what will go with and change news release to match. TPs can probably stay in order originally for press conference to maintain flow of Dan, Nick, et al.

These have to be to printer by 7 am tomorrow am in order to get done in time for press conference.

Thx much,  
SW

Sent from my iPhone

Begin forwarded message:  
**FlintWater\_ActionPlan\_100115 - annotated - flattened.pdf**

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, October 01, 2015 4:36 PM  
**To:** Wurfel, Brad (DEQ)  
**Cc:** Lasher, GERALYN (DHHS)  
**Subject:** RE: Hey

We got contacted as well.

What planning on saying is that this issue is one that we've been actively engaged on and our administration will be outlining a collaborative, comprehensive action plan tomorrow afternoon. We believe protecting public health is paramount and safe, clean, accessible drinking water is essential. That's what we are focused on helping ensure and working together across local, state and federal levels to bring all resources and ideas to bear.

Will add that the governor and state agencies have been closely working with Flint leaders on their infrastructure challenges, including providing \$4.2 million in grants and restructured loan financing to provide resources needed to locate and fix infrastructure problems and add the carbon filtration system, additional testing and helping identify and provide filters.

**From:** Wurfel, Brad (DEQ)  
**Sent:** Thursday, October 01, 2015 4:34 PM  
**To:** Lynch, James <JLynch@detroitnews.com>  
**Cc:** Lasher, GERALYN (DHHS) <lasergh@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>  
**Subject:** RE: Hey

Jim:

"State officials will be in Flint tomorrow to announce a plan to address public concerns about drinking water quality in Flint. We recognize there is widespread confusion and concern in the city, and we look forward to presenting a plan for action and addressing questions."

b

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**From:** Lynch, James [<mailto:JLynch@detroitnews.com>]  
**Sent:** Thursday, October 01, 2015 3:19 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Hey

Looking for a comment out of your office regarding this call for the EPA to step in to the Flint situation.

For Immediate Release

Press Contact: Margie Kelly, [mkelly@nrdc.org](mailto:mkelly@nrdc.org), 312-651-7935, Rana Elmir, ACLU of Michigan [relmir@aclumich.org](mailto:relmir@aclumich.org), 313-578-6816



**GROUPS PETITION EPA FOR EMERGENCY RESPONSE TO  
FLINT, MI DRINKING WATER CONTAMINATION**

*City and state agencies have failed to fix the public health crisis that imperils children's health*

CHICAGO (October 1, 2015) – In response to the ongoing drinking water crisis in Flint, Michigan, a coalition of local citizens and national groups petitioned the Environmental Protection Agency (EPA) today to take emergency action to secure safe, lead-free water for the City's children and families.

Flint-based Coalition for Clean Water, the American Civil Liberties Union of Michigan, and the Natural Resources Defense Council joined the petition to trigger the EPA to launch a comprehensive federal response to the ongoing crisis. Under the Safe Drinking Water Act, the EPA is empowered to stop "imminent and substantial endangerment to human health" such as the elevated lead levels in Flint's drinking water.

The petition urges that EPA immediately order the City and Michigan DEQ to reconnect Flint's water system with water from the Detroit Water and Sewerage Department, and to provide Flint residents with an alternative, free source of safe drinking water that meets EPA standards, among other requests.

"Neither the City of Flint nor the State of Michigan is doing enough to fix the problem of lead in our drinking water. As evidenced by the ongoing poisoning of the children of Flint, it's time for the EPA to take immediate action to provide us with a safe water source," said LeeAnne Walters, a concerned parent from Flint and member of the Water You Fighting For, one of the organizations petitioning the EPA. "The city and state need to test for lead and copper as intended by the federal lead and copper rule," Walters added.

Highly corrosive water in the Flint River, the source of the City's drinking water, has been flowing through lead service lines in Flint's water system for more than a year. A medical study has confirmed that the number of children living in Flint with health-threatening elevated blood lead levels has risen since the City switched its water source. One study of Flint children under age five found that the proportion of children living in Flint with elevated blood levels has *doubled* since the City changed its drinking water source. The statistics are worse for younger children; those under fifteen months old had lead levels elevated 2.5 times greater after the switch to Flint River water.

The City of Flint and the state Department of Environmental Quality (DEQ) have been made aware of tap water monitoring results showing shockingly high lead levels in homes served by the City's drinking water system for months, but neither has taken the action necessary to meaningfully address the problem. There also appear to be serious issues with how the City was testing for lead in a way that appears to downplay the extent of the problem.

"Americans rightly believe that the water coming out of their taps should be safe, not exquisitely toxic. For more than a year, lead-contaminated drinking water has been flowing through Flint's pipes, faucets, and fountains. If the City and State will not address the issue, the EPA should step in to protect kids' health immediately," said Henry Henderson, Midwest Director for the Natural Resources Defense Council.

"Flint city officials, state-appointed emergency managers and the Michigan Department of Environmental Quality have all failed monumentally in their duty to provide the people of Flint with clean, safe drinking water. Now that the truth is revealed, further action is imperative," said Kary L. Moss, ACLU of Michigan executive director. "The devastating revelations from independent researchers, as well as our own nearly year-long investigation, demand an immediate, effective and comprehensive response. The EPA, along with and city officials, must exercise their full authority to guarantee that the people of Flint are protected from the hazardous water now flowing into their homes. The first step should be to overturn the emergency manager order and remove the Flint River as the city's source of water."

There is no safe level of lead exposure. The toxic effects of lead on virtually every system in the body, and particularly on the developing brains of young children, are well documented. It can also contribute to high blood pressure and other health problems in adults. Even low levels of lead in the blood have been shown to affect IQ, ability to pay attention, and academic achievement, effects that are irreversible.

Until Flint restores a safe drinking water source that meets EPA standards, residents are advised to take the following steps:

- ? Flush faucets by running water for a minimum of five (5) minutes prior to consumption;
- ? Use only cold water from taps for drinking and cooking, as warm or hot water is more likely to contain higher levels of lead;
- ? Install and use water filters that are certified to remove lead by NSF International (labeled as meeting "NSF Standard 53" for lead removal), and regularly change the filter cartridges; and
- ? Use only filtered or bottled water to prepare baby formula and food. Children, pregnant or nursing women should also use filtered or bottled water for drinking and cooking.

In addition, residents should consider taking the following additional steps where possible:

- ? Remove and clean individual faucet aerators, as lead particles and sediment can collect in the aerator screen located at the faucets;
- ? Contact a licensed plumber to replace any household plumbing that may contain lead; and
- ? Flush cold water taps after installing any new household pipes or fixtures.

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Thursday, October 01, 2015 2:07 PM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Re: Genesee Co Board of Commissioners press conference

We need to get the media advisory on the wire asap. My phone is blowing up here. Please advise.

Sent from my iPhone

On Oct 1, 2015, at 1:49 PM, Wurfel, Sara (GOV) <[Wurfels@michigan.gov](mailto:Wurfels@michigan.gov)> wrote:

Urging declaration Gov to declare state of emergency

**Genesee county board sets press conference discussing Flint's water crisis**

[http://www.mlive.com/news/flint/index.ssf/2015/10/genesee\\_county\\_board\\_to\\_hold\\_p.html](http://www.mlive.com/news/flint/index.ssf/2015/10/genesee_county_board_to_hold_p.html)

Sent from my iPhone

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, October 01, 2015 1:49 PM  
**To:** Muchmore, Dennis (GOV); Agen, Jarrod (GOV); Hollins, Harvey (GOV); Lasher, GERALYN (DHHS); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ); Eisner, Jennifer (DHHS); Minicuci, Angela (DHHS)  
**Cc:** Murray, David (GOV)  
**Subject:** Genesee Co Board of Commissioners press conference

Urging declaration Gov to declare state of emergency

**Genesee county board sets press conference discussing Flint's water crisis**  
[http://www.mlive.com/news/flint/index.ssf/2015/10/genesee\\_county\\_board\\_to\\_hold\\_p.html](http://www.mlive.com/news/flint/index.ssf/2015/10/genesee_county_board_to_hold_p.html)

Sent from my iPhone

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Thursday, October 01, 2015 10:55 AM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Fwd: Michigan Radio/NPR interview: Thurs 10/1 @ 11:35 AM

?

Sent from my iPhone

Begin forwarded message:

**From:** Alexandra Billings <[allibill@umich.edu](mailto:allibill@umich.edu)>  
**Date:** October 1, 2015 at 9:49:07 AM EDT  
**To:** <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Subject:** Michigan Radio/NPR interview: Thurs 10/1 @ 11:35 AM

Hi Brad,

Alli here with Michigan Radio - I help with booking for Stateside with Cynthia Canty. On today's show, we're speaking with Virginia Tech's Marc Edwards about Flint's water problems.

I would like to see if someone from the DEQ (Mike Prysby or Dan Wyant) would be interested in joining the conversation.

**The interview is at 11:35 am so I would need to know as soon as possible.**

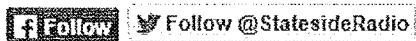
Two main things we would like to discuss: how the city conducted testing for lead and why DEQ did not require Flint to put corrosion control in place at the time of the switch.

The interview would be pre-recorded, not live, and would take about 10-15 minutes. A land line is preferred.

When you have a moment, please let me know.

Thanks!

...  
Alexandra Billings  
Broadcast Producer



**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Monday, September 28, 2015 1:20 PM  
**To:** Murray, David (GOV); Lasher, Geralyn (DCH); Wurfel, Brad (DEQ)  
**Subject:** FW: Letter to Governor Snyder: Flint Water  
**Attachments:** 09.28.2015-Letter-Ananich-Snyder-Water-Requests.pdf

Looping you in too ...

Need a follow-up call on this issue to chat and make sure we're all on same page asap.

---

**From:** Muchmore, Dennis (GOV)  
**Sent:** Monday, September 28, 2015 12:05 PM  
**To:** McBride, Bill (GOV) <mcbrideb@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Lyon, Nick (DCH) <LyonN2@michigan.gov>; Wyant, Dan (DEQ) <WyantD@michigan.gov>  
**Subject:** FW: Letter to Governor Snyder: Flint Water

Just came in

**From:** Andrew Leavitt [<mailto:ALEavitt@senate.michigan.gov>]  
**Sent:** Monday, September 28, 2015 11:45 AM  
**To:** Muchmore, Dennis (GOV) <[muchmored@michigan.gov](mailto:muchmored@michigan.gov)>  
**Subject:** Letter to Governor Snyder: Flint Water

Hi Dennis,

Senator Ananich began drafting the attached letter on Sunday and thought it would be helpful to guide our 12pm call.

Thanks,

Andy

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Friday, September 25, 2015 8:54 AM  
**To:** Murray, David (GOV); Wurfel, Brad (DEQ); Minicuci, Angela (DCH); Stanton, Terry A. (Treasury)  
**Subject:** Fwd: PRESS BRIEFING: Health Information for Residents on Water

FYI

Dave - please followup and see if we can get more on content, unless someone knows already.

Sent from my iPhone

Begin forwarded message:

**From:** Jason Lorenz <[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)>  
**Date:** September 25, 2015 at 8:15:46 AM EDT  
**To:** Jason Lorenz <[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)>  
**Subject:** Re: PRESS BRIEFING: Health Information for Residents on Water

**UPDATE: Flint Mayor Dayne Walling will also be in attendance for today's briefing.**

-Jason Lorenz  
Public Information Officer  
City of Flint  
(810) 237-2039 (Office)  
(810) 875-2576 (Cell)  
[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)



On Thu, Sep 24, 2015 at 5:18 PM, Jason Lorenz <[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)> wrote:  
**PRESS BRIEFING: Health Information for Residents on Water will be shared with the press.**

**WHEN: Friday, September 25, 2015 at 10:00am**

**WHERE: Mayor's Office Conference Room**

**Details: City Administrator Natasha L. Henderson and Department of Public Works Director Howard Croft will be joined by officials from the Genesee County Health Department to share important health information for Flint residents on water.**

-Jason Lorenz  
Public Information Officer  
City of Flint  
(810) 237-2039 (Office)  
(810) 875-2576 (Cell)  
[jlorenz@cityofflint.com](mailto:jlorenz@cityofflint.com)





## Wurfel, Brad (DEQ)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, September 21, 2015 7:24 PM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Fwd: STATEMENT: Congressman Dan Kildee Calls For Additional "Independent and Scientific" Testing to Ensure Safety of Flint's Water

Sent from my iPhone

Begin forwarded message:

**From:** "Wurfel, Brad (DEQ)" <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>  
**Date:** September 21, 2015 at 4:54:25 PM EDT  
**To:** "Murray, David (GOV)" <[MurrayD1@michigan.gov](mailto:MurrayD1@michigan.gov)>  
**Subject:** RE: STATEMENT: Congressman Dan Kildee Calls For Additional "Independent and Scientific" Testing to Ensure Safety of Flint's Water

Let's see if Eric concurs...

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**From:** Murray, David (GOV)  
**Sent:** Monday, September 21, 2015 4:53 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Re: STATEMENT: Congressman Dan Kildee Calls For Additional "Independent and Scientific" Testing to Ensure Safety of Flint's Water

Well done!

Sent from my iPhone

On Sep 21, 2015, at 4:51 PM, Wurfel, Brad (DEQ) <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)> wrote:

Heads up. Flint journal asked for comment on Kildee statement.

b

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, September 21, 2015 4:48 PM  
**To:** 'Ronald Fonger'  
**Subject:** RE: STATEMENT: Congressman Dan Kildee Calls For Additional "Independent and Scientific" Testing to Ensure Safety of Flint's Water

"The state much appreciated the opportunity to explain its role in regulating drinking water systems – in particular, the fact that the water supply presently meets all state and federal water quality standards but that homes with lead service connections and lead plumbing are and always have been imparting some part-per-billion of lead, which is a concern.

"We were pleased to conclude the meeting with the shared commitment to bring a local, state and federal partnership to address this issue through the City's technical advisory team. Given issues like the proposed federal grant forgiveness or the call for system-wide replacement of home lead connections to address the long-term issue, the leadership of our congressional delegation will be of critical importance."

b

Brad Wurfel  
Communications Director  
Michigan Department of Environmental Quality  
517-284-6713  
517-230-8006 cell

---

**From:** Ronald Fonger [<mailto:RFONGER1@mlive.com>]  
**Sent:** Monday, September 21, 2015 3:13 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** FW: STATEMENT: Congressman Dan Kildee Calls For Additional "Independent and Scientific" Testing to Ensure Safety of Flint's Water

Brad: Do you want to comment?

I just got this and have to file something by 5-530.

Thanks,

**Ron Fonger**  
MLive Media Group  
Reporter

mobile 810.347.9963  
email [rfonger1@mlive.com](mailto:rfonger1@mlive.com)

address 540 S. Saginaw St. #101, Flint MI 48502

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**From:** Rivard, Mitchell [<mailto:Mitchell.Rivard@mail.house.gov>]  
**Sent:** Monday, September 21, 2015 3:02 PM  
**To:** Rivard, Mitchell  
**Subject:** STATEMENT: Congressman Dan Kildee Calls For Additional "Independent and Scientific" Testing to Ensure Safety of Flint's Water

**FOR IMMEDIATE RELEASE**

Monday, September 21, 2015

Contact: Mitchell Rivard, 202-595-4885, [mitchell.rivard@mail.house.gov](mailto:mitchell.rivard@mail.house.gov)

**Congressman Dan Kildee Calls For Additional "Independent and Scientific" Testing to Ensure Safety of Flint's Water**

FLINT – Congressman Dan Kildee (MI-05) today, as part of his continued efforts to get answers regarding recent lead levels recorded in the city of Flint's water system, met with the Michigan Department of Environmental Quality (DEQ) and the Environmental Protection Agency (EPA) in Lansing.

The meeting followed a letter sent last week by Congressman Kildee posing various questions about recent lead levels in the water. In response to Congressman Kildee's letter, the DEQ and EPA invited Congressman Kildee and other local, state and federal elected officials to attend today's briefing in Lansing.

After the meeting today, Congressman Kildee issued the following statement:

*"After meeting with the EPA and DEQ, it is clear to me that immediate independent and scientific testing is necessary to determine the safety of Flint's water. So far, the city, DEQ and EPA have not adequately answered my questions on their testing methods to ensure the safety of Flint's water.*

*"So far, I have been given no reason to have confidence in the current testing results. For example, it is unclear if homes sampled also took part in previous tests, which could have shown trends in water quality.*

*"I call on the Michigan Department of Environmental Quality and the Environmental Protection Agency, in coordination with the city of Flint, to work together to conduct additional independent and scientific testing of Flint's water. Additional testing must be expanded from its current scope to include more homes. It must also factor in the most at-risk homes in Flint.*

*"Flint residents deserve absolute transparency when it comes to the quality of their water. Additionally the city, DEQ and EPA must work together to ensure the*

*immediate safety of Flint's drinking water, including any temporary relief until a long-term solution can be completed."*

###

## Wurfel, Brad (DEQ)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Wednesday, September 16, 2015 1:03 AM  
**To:** Wurfel, Sara (GOV)  
**Subject:** Fwd: EPA's response to Rep. Kildee re: Flint water  
**Attachments:** ATT00001.htm

Sent from my iPhone

Begin forwarded message:

**From:** "Pallone, Maggie (DEQ)" <[PalloneM@michigan.gov](mailto:PalloneM@michigan.gov)>  
**Date:** September 15, 2015 at 7:25:03 PM EDT  
**To:** "Wyant, Dan (DEQ)" <[WyantD@michigan.gov](mailto:WyantD@michigan.gov)>, "Thelen, Mary Beth (DEQ)" <[THELENM2@michigan.gov](mailto:THELENM2@michigan.gov)>, "Howes, Sarah (DEQ)" <[HowesS1@michigan.gov](mailto:HowesS1@michigan.gov)>, "Wurfel, Brad (DEQ)" <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)>, "Busch, Stephen (DEQ)" <[BUSCHS@michigan.gov](mailto:BUSCHS@michigan.gov)>, "Benzie, Richard (DEQ)" <[BENZIER@michigan.gov](mailto:BENZIER@michigan.gov)>, "Shekter Smith, Liane (DEQ)" <[SHEKTERL@michigan.gov](mailto:SHEKTERL@michigan.gov)>, "Sygo, Jim (DEQ)" <[SygoJ@michigan.gov](mailto:SygoJ@michigan.gov)>  
**Subject:** Fwd: EPA's response to Rep. Kildee re: Flint water

Begin forwarded message:

**From:** "Fortin, Denise" <[Fortin.Denise@epa.gov](mailto:Fortin.Denise@epa.gov)>  
**Date:** September 15, 2015 at 6:28:38 PM EDT  
**To:** "Pallone, Maggie (DEQ)" <[PalloneM@michigan.gov](mailto:PalloneM@michigan.gov)>  
**Cc:** "Beckmann, Ronna Erin" <[beckmann.ronna@epa.gov](mailto:beckmann.ronna@epa.gov)>, "Deamer, Eileen" <[deamer.eileen@epa.gov](mailto:deamer.eileen@epa.gov)>  
**Subject:** EPA's response to Rep. Kildee re: Flint water

Here you go, Maggie. I'll be sending this letter to Jordan Dickinson shortly.

Please keep me posted on the location for Monday's meeting.

Thanks,  
Denise

Denise Fortin  
Congressional Liaison  
Office of Regional Administrator  
U.S. Environmental Protection Agency  
312-886-9859

**Wurfel, Brad (DEQ)**

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**From:** Wurfel, Sara (GOV)  
**Sent:** Thursday, September 10, 2015 3:31 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Re: Reporter seeking a response to Virginia Tech's Flint Water Study findings

Tried to get you multiple times today. No answer. Back at desk. Call.

Sent from my iPhone

On Sep 10, 2015, at 3:12 PM, Wurfel, Brad (DEQ) <[WurfelB@michigan.gov](mailto:WurfelB@michigan.gov)> wrote:

Need a phone call to discuss this with either of you.

Thanks.

b

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**From:** Curt Guyette [<mailto:cguyette@aclumich.org>]  
**Sent:** Thursday, September 10, 2015 2:41 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Reporter seeking a response to Virginia Tech's Flint Water Study findings  
**Importance:** High

Dear Mr. Wurfel,

After testing more than 250 homes in Flint, researchers at Virginia Tech have continued to find dangerously high levels of lead in many of the homes being sampled.

They are unequivocal in their findings, stating that: "Flint has a very serious lead in water problem."

These results run contrary to the city and MDEQ's assertions that the city of Flint is in compliance with U.S. EPA Lead and Copper Rule compliance standards. In fact, based on Virginia Tech's results – which are much more extensive, having tested nearly four times as many homes as the city tested during the first half of 2015, and the VT researchers have not specifically target high-risk homes, as the city is required to do for the LCR monitoring – the city is actually well out of compliance.

I was hoping you would be able to provide the MDEQ's position regarding VT researchers' purported findings, and the contradictory conclusions..

Virginia Tech's methodology and results have been posted on a web site dedicated to the project ([flintwaterstudy.org/](http://flintwaterstudy.org/)), so it is clear from their end how they have approached this project, and exactly what they've done, and what they've found.

It would be very helpful to have the MDEQ's views on all this for my upcoming story.

I am working on a deadline and would very much appreciate a response by the end of the day tomorrow, Sept. 11.

I appreciate any help you can provide in my reporting on this very important public health issue.

Sincerely,

Curt

## Wurfel, Sara (GOV)

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**From:** Wurfel, Brad (DEQ)  
**Sent:** Monday, November 23, 2015 10:24 AM  
**To:** Wurfel, Sara (GOV); Murray, David (GOV)  
**Subject:** FW: Response from Marc Edwards - FW: Request for Disclosure of Official Files - FOIA 0367-16  
**Attachments:** 0367-16 Executive Division.pdf

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**From:** Shaler, Karen (DEQ)  
**Sent:** Friday, November 20, 2015 4:41 PM  
**To:** Wurfel, Brad (DEQ)  
**Subject:** Response from Marc Edwards - FW: Request for Disclosure of Official Files - FOIA 0367-16

Brad,

I'm forwarding the response I received from Marc Edwards after I sent the attached PDF to him in response to FOIA 0367-16. The PDF includes a few pages from Jim Sygo and George Krisztian and the 41 pages that you gave me.

I'm not planning to respond to Marc. Please respond as you deem appropriate. Thanks.

Karen

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**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Friday, November 20, 2015 4:28 PM  
**To:** Shaler, Karen (DEQ)  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Thanks. I am perplexed that there is not a single responsive e-mail between Sara and Brad Wurfel, from the time period July 1 to September 10<sup>th</sup>.

Is it MDEQ's position that there are no e-mails between these individuals in that time period?

Was my request misinterpreted somehow?

Marc

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**From:** Shaler, Karen (DEQ) [<mailto:SHALERK@michigan.gov>]  
**Sent:** Friday, November 20, 2015 4:00 PM  
**To:** Marc Edwards  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Marc,

I have received payment confirmation from our Cashier's Office, so attached are the Executive Division's records for FOIA 0367-16.



Karen

---


**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Thursday, November 19, 2015 7:38 PM  
**To:** Shaler, Karen (DEQ)  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Karen,

I am sure that you are waiting for the cashier. However, it has been a week since my FOIA payment has cleared. I really hope I can get it before the weekend.

Marc

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 11/11/2015	11/12/2015	Sale	DEQ FREEDOM OF INFO ACT	\$17
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**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Thursday, November 12, 2015 1:57 PM  
**To:** 'Shaler, Karen (DEQ)'  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Thanks! Marc

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**From:** Shaler, Karen (DEQ) [<mailto:SHALERK@michigan.gov>]  
**Sent:** Thursday, November 12, 2015 1:47 PM  
**To:** Marc Edwards  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Hi Marc,

Our office was closed for Veterans Day yesterday, so I wasn't able to have a FOIA invoice prepared for FOIA 0367-16 until today (see attached PDFs for your records). Please note that a FOIA invoice is prepared for each FOIA response, so if you have any future FOIA requests, you'll need to wait to make a payment until you receive the applicable invoice to avoid confusion in our Cashier's Office about why you paid more than the invoiced amount.

In this case, I spoke with our Cashier's Office this morning about your payment for two FOIAs using one invoice, so I'm working it out with them to ensure they credit you with payment for both invoices.

As before, when the Cashier's Office confirms payment, the records will be e-mailed to you. Please let me know if you have any questions. Thanks.

Karen

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**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Wednesday, November 11, 2015 12:47 PM  
**To:** Shaler, Karen (DEQ)  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Hi Karen,

This is the payment for 0367-16 (no invoice yet) plus the other invoice you sent (\$93.90+\$77.80). Two FOIA's paid for at one time.

Best Regards,  
Marc

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**From:** Marc Edwards [<mailto:edwardsm@vt.edu>]  
**Sent:** Tuesday, November 10, 2015 5:15 PM  
**To:** 'Shaler, Karen (DEQ)'  
**Subject:** RE: Request for Disclosure of Official Files - FOIA 0367-16

Yes, please send an invoice ASAP and I will pay.  
Marc

---

**From:** Shaler, Karen (DEQ) [<mailto:SHALERK@michigan.gov>]  
**Sent:** Tuesday, November 10, 2015 5:08 PM  
**To:** [edwardsm@vt.edu](mailto:edwardsm@vt.edu)  
**Subject:** Request for Disclosure of Official Files - FOIA 0367-16

Dear Marc Edwards,

This is in response to your attached Freedom of Information Act request.

The Department of Environmental Quality's Executive Division has some of the records you requested.

Attached is a FOIA cost estimate totaling \$93.90 related to labor costs for our staff searches/reviews and e-mailing the records to you. I will need to know whether or not you want to pursue obtaining a copy of these records. If you do still want them, I will have a FOIA Invoice prepared and will e-mail it to you, which would require payment before I could process your request further.

Please confirm how you would like to proceed. Thank you.

Karen Shaler  
Management Assistant to Chief Deputy Director Jim Sygo  
FOIA Liaison, Executive Division  
Michigan Department of Environmental Quality  
Constitution Hall, 6th Floor South  
P.O. Box 30473  
Lansing, MI 48909-7973  
Phone: 517-284-6709  
Fax: 517-241-7401  
[shalerk@michigan.gov](mailto:shalerk@michigan.gov)



## **Talking Points**

### **IT Staff Augmentation Contract Transition**

**November 5, 2015**

#### **Background**

Since 6/1/2012, DTMB has maintained a contract with ACRO Inc. to serve as the Managed Service Provider (MSP), providing staff augmentation services for the state. DTMB utilizes an MSP to serve as a single contractor, providing IT staff resources from a pool of qualified companies. DTMB will provide a statement of work for a particular project and the MSP will garner qualified staff from their list of companies, often times needing resources from multiple vendors. A six-month extension of the ACRO contract was exercised in Oct. 2015 and contract is set to expire on 5/31/2015.

It has been determined by DTMB Procurement and DTMB IT that the State's most effective and efficient method of obtaining a new MSP would be entering into a cooperative agreement with another state's existing contract that has been competitively bided and awarded. After researching numerous vendors and multiple state contracts a decision was made to select Computer Aid Inc. (CAI) through a contract with the state of Virginia.

#### **Timeline**

- Finalize contract with CAI with assistance from the AG's Office, utilizing the State of Virginia's contract.
- Present to Ad Board for final approval.
- Meet with CAI and develop a transition plan.
- Develop a Communication Plan for informing contractors, staff, and current vendor.
- Time transition to coincide when the current vendor contract expires on 5/31/2016.

#### **Talking Points**

- The natural end of the ACRO contract provided an opportunity to review the options available for staff augmentation services. After extensive research, utilizing a competitively bid contract with the state of Virginia proved to be the best value for Michigan.
- CAI has a proven track record of success in staff augmentation services. Their commitment to data-driven results and metrics is crucial in monitoring the contract's success. They have committed to having two staff members dedicated to the DTMB to provide quality customer service. Provide the ability to review applicants on mobile devices, a necessity in today's work environment.
- CAI has a strong Michigan presence, conducting business in the state for more than 24 years. CAI currently provides services in seven other states.
- By leveraging a contract with Virginia the state was able to avoid the considerable resources normally required to bid a contract of this size and complexity.
- Using Virginia's contract as a foundation, DTMB was able to incorporate terms and conditions specific to Michigan.

- A transition to CAI will take place through May 2015 to ensure no interruption of services.
- The cost for CAI will increase by approximately 3%, but the additional value and quality they provide more than justifies the slight increase.
- Staff Aug Stats
  - FY 2015 - \$26M, Total contract spend - \$47M
  - Currently 272 active contractors
  - ACRO Rate is 2.8%, CAI Rate is 5%
- Concerns with ACRO (If asked)
  - Not effectively managing the staff the state was receiving. Many instances of substandard resources.
  - ACRO has scored poorly on annual compliance reports and performance, while improving slightly, was not up to the standard needed.

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**From:** Murray, David (GOV)  
**Sent:** Monday, February 02, 2015 1:46 PM  
**To:** Hollins, Harvey (GOV); Clayton, Stacie (GOV)  
**Subject:** Flint grand and water points  
**Attachments:** Flint grants and water talking points.docx

Here are the requested points. Thank you for all your help!

Dave

**Dave Murray**

Deputy Press Secretary | Executive Office of Governor Rick Snyder

[MurrayD1@michigan.gov](mailto:MurrayD1@michigan.gov)

517-335-6397, office

mobile

Twitter: @michigandmurray

### **Flint grants talking points**

- Gov. Rick Snyder has awarded Flint \$2 million in grants for water system infrastructure improvements, part of an overall \$8 million plan to help cities through the Financially Distressed Cities, Villages, and Townships Grant Program.
- Flint is among six municipalities receiving grants through the program.
  - Municipalities are eligible for the grants if they are experiencing one or more conditions indicative of “probable financial stress,” as defined by Public Act 436 of 2012, the Local Financial Stability and Choice Act.
  - Under the grant program, funding may be used to pay for specific projects, services, or strategies that move a city, village, or township toward financial stability.
  - There was \$8 million appropriated for the program with a \$2 million cap, per local unit.
- A \$900,000 grant will allow the city to hire a contractor to perform a leak detection survey of the city water lines.
  - The city will receive a map of leak locations and an assessment of leak severity, allowing the city to prioritize leak repair.
  - The project also covers the expense of conducting a water pipe line wall thickness condition assessment on a portion of the city’s pipes.
  - The assessment will guide the city’s water main replacement program.
- The city also was awarded \$1.1 million to shut down its current Water Pollution Control Facility incinerator and replace it with new facilities which will allow for the disposal of waste in landfills.
  - The existing facilities are not up to federal Environmental Protection Agency standards.
- These are opportunities for the state government to assist Flint city leaders as they address issues related to the city’s water system.

### **Flint water talking points from DEQ**

- The DEQ Drinking Water program works with communities around the state to ensure that municipalities provide customers with clean, safe drinking water.
- Municipal water supplies are tested rigorously and regularly for more than 90 regulated contaminants, including microbial contaminants that pose an immediate public health concern.
- Flint’s exceedance of the TTHM standard should reassure residents that the testing program is effective.
- TTHM is not an immediate health threat. It is a chronic concern, one that can be problematic over the course of several decades of exposure.
  - The public was notified because the law requires the city to make public notification, so that everyone can make informed decisions. This is particularly true for people with infants or those with compromised immune systems.

- The DEQ is working with the City to address the situation. Recent tests show the TTHM numbers dropping rapidly. The department will continue working with the city in the months ahead, and residents should feel confident that their water is safe to drink unless the DEQ or City notifies them otherwise.
- The discoloration and odor issues some Flint residents are experiencing are separate issues from the TTHM issue. TTHM is odorless, colorless and measured in parts per billion.
- Flint water customers who have questions or concerns about their water should first contact the city to get answers and help. They also can contact the Michigan DEQ.

**COS Agenda  
February 9, 2016**

**Flint Plan**

1. Water Testing
2. Infrastructure
3. Mission Flint Organization
4. Emails
5. Communications/Messaging

Redacted



Confidential – Discussion Draft

COS Agenda  
February 4, 2016

Flint

1. Data reporting; Week at a Glance; FWIACC mtg; etc
2. High lead water test response team
3. Water bill adjustment plan
4. Tap turn on plan – technical, confidence — FWIACC
5. Community interaction – Mayor, MF, Mott, etc
6. Need for one pager/column X
7. Response to letters
8. Budget allocations – multiyear; narrative; HEF
9. Communications – press conference, presence, legislative, townhalls

Redacted

Redacted

Redacted

— Flintforward.org  
• good things

+ Water task force call

Confidential – Discussion Draft

COS Agenda  
January 21, 2016

Priorities

1. Flint – see below

Redacted

- org chart: found  
muni  
civic  
Bum  
- Masco - faucets  
+ Regular call w/ Mayor  
Tues - she called  
(TRACK)  
100 days - Phase I, II, III  
Vol. plan  
• Sponsor a nurse  
@ a sch for 1 yr.  
- um / Apps.  
engr.

RB/MF  
Cohesive  
- Gen City > ED  
Flint  
St Depts

Flint Goals:

1. ST crisis  
a. Points of contact/leadership *transition to who/when*  
b. Data on major items  
c. Transition to filters, cartridges  
d. Special situations  
e. Schools, etc follow up/protocols - MZ  
f. Communications  
g. Expert engagement - *TORI LIST*  
h. City/County/Federal interface - *CONTACTS*  
i. Volunteer and donor participation
2. Clean water out of tap - *define protocol/test*  
a. Technical protocol  
b. Confidence plan  
c. Problem areas  
d. KWA transition  
e. Flint utility *experts/3rd party*
3. Follow up on children and others - *sep mtg to discuss program(s) mgmt.*  
a. Wrap around services *WIC - update (P-10)*  
b. Health Endowment Fund *stude*
4. Economic and community develop  
a. Supporting Mayor and City Govt  
b. TED, etc

**Confidential – Discussion Draft**

5. Lessons learned/After analysis
  - a. Flint Water Task Force
  - b. Timetable, reference points re Flint+
  - c. Public Health/UM
6. Statewide actions
  - a. EOs, etc
  - b. Commission — JW
  - c. Financing alternatives

Israel  
water experts

prior cities exp.

COS Agenda  
January 26, 2016

Flint

1. Data reporting
2. Overall plan with near term logistical and financial controls
3. Donations/contributions – follow up e.g. Walmart 6.5mm bottles
4. Tap turn on plan – technical, confidence
5. Community care – budget, HEF
6. Task Force – letter, report
7. Budget allocations – follow needed actions vs. depts.; facts
8. Communications – press conference, presence, legislative, one pager, other

Redacted

RB/Flint team in Flint / Soc media ✓

• LEG COMMS. ✓

• COMM VENTURES / NARRATIVE ✓

• ACTUARIAL MODEL ✓

RB/MD – supporters  
proasco etc

Found:  
MD.  
SOM.  
MMF. }

• SBA – 5 bus impacted ✓

Redacted

FLINT 3rd pty  
• HIST column.

— mess

• NARR RE programs  
• good progress



Weekly COS Issues

1. Flint
  - a. -Supplemental
  - b. -Water Update
  - c. -Water Bills
  - d. -Nat Guard

Redacted

Flint  
+ Veto Rept  
+ Channel 7 - Howell Co.  
to run test  
+ RB ↔ Mark Davidoff  
• NG next weekend  
+ what do hoop do?  
- City/City - did they declare  
prim to oct?

Redacted

Redacted

COS Agenda  
January 5, 2016



Weekly COS Issues

Redacted

2. Flint Declaration

Redacted

Redacted



✓ US atty / EPA  
Redacted



COS Agenda  
February 2, 2016



Flint

1. Data reporting; Week at a Glance; FWIACC mtg; etc
2. High lead water test response team
3. Water bill adjustment plan
4. Tap turn on plan – technical, confidence
5. Community interaction – Mayor, MF, Mott, etc
6. Need for one pager/column
7. Response to letters
8. Budget allocations –multiyear; narrative; HEF
9. Communications – press conference, presence, legislative, townhalls

Redacted

*human perspective*

Redacted

⋮

Redacted

- Harvey - committees - FWIACC ✓  
- Dr. Mona ✓  
Dr. Laurie ✓

- DR ✓  
- RB - MD info  
- JW update (3 hr mtg) ✓

Redacted

Redacted

**COS Agenda  
November 3, 2015**

Weekly COS Issues

Redacted

5. Water Strategy

Redacted



COS Agenda  
December 17, 2015



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Current priority projects:

Redacted  
2. Flint Water  
Redacted

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**COS Items**  
**November 30, 2015**



Redacted

7. Flint Water *spend summaries*

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" " "

Redacted

Confidential – Discussion Draft

COS Agenda  
October 27, 2015

Weekly COS Issues  
Redacted

Redacted

13. Flint Water ✓  
Redacted

Redacted

Redacted

Redacted

Confidential – Discussion Draft

Redacted

**COS Agenda**  
**October 13, 2015**

Redacted Weekly COS Issues

- d
1. Flint Water follow up and after action report

Redacted

Weekly COS Issues

Redacted

9. City of Flint

Redacted

Redacted

**COS Agenda  
April 16, 2015**

Weekly COS Issues

Redacted

2. RTAB Flint

Redacted

6. Water

Redacted

**Confidential – Discussion Draft**

**COS Agenda  
February 3, 2015**

Weekly COS Issues

Redacted

2. Flint Water

Redacted

Redacted

**COS To Do List**  
**February 19, 2015**

Redacted

**Partner**

Redacted

Redacted

/

5. Flint

6. Flint Water

Redacted



COS Items  
April 24, 2013

Redacted

Redacted

Redacted

Redacted

~~DN 12. Detroit/Flint Water meeting DWSD~~ ~~Flint~~ ~~last offer by Tues~~ ~~decision by Flint on~~ ~~Friday~~  
Redacted

Redacted



Rick Snyder &lt;[REDACTED]&gt;

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**Tuesday's Detroit Email Update**1 message

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**Roberts, John (GOV)** <robertsj9@michigan.gov>

Tue, Mar 20, 2012 at 4:29 PM

To: "rick@rickformichigan.com" &lt;[REDACTED]&gt;

Cc: "Calley, Brian (GOV)" &lt;[REDACTED]&gt;, "Muchmore, Dennis (GOV)" &lt;muchmored@michigan.gov&gt;, "Scott, Allison (GOV)" &lt;scotta12@michigan.gov&gt;

Governor:

Dennis is at Leadership right now so I am sending you this afternoon's update.

1. As you heard on our call Harvey and Andy went with the Council of Baptist Ministers today. Harvey believed the our message went over well there. The Council invited you to attend one of their meetings. As an outcome of the meeting at least five pastors asked for follow-up calls with Harvey, so HH has been making those calls this afternoon. The ministers also said they are very interested in helping the City Council and Mayor reach a untied city position that can be presented to you. HH will update us tomorrow. Also, HH is going to be filmed today for a new show in Detroit called "MI Week".
2. Tony Williams is playing phone tag with Mayor Bing but will continue to try to connect from Africa. He plans on listening to the Mayor and then delivering the message that we (the state) need to see a consent agreement ASAP.
3. Tim Skubick is reporting that the Governor's office is currently reviewing the city's counter proposal. That is not true, we nor Treasury have received anything yet.
4. Detroit's credit downgrade is now public (the release is in the attached email.).
5. Dennis was informed that certain members of the legislature's Detroit caucus would prefer bankruptcy to a consent agreement. Will let you know if we learn more.

Also, we have not received an update on the Flint TRO hearing that started at 4:00pm but will keep you posted.

Hope the trip is going well. Let us know if you need anything.

Thanks,

John

----- Forwarded message -----

From: "Stibitz, Brom (Treasury)" <StibitzB@michigan.gov>  
To: "Roberts, John (GOV)" <robertsj9@michigan.gov>  
Cc:  
Date: Tue, 20 Mar 2012 16:10:16 -0400  
Subject: FW: (BMP) MOODY'S DOWNGRADES DETROIT (MI)'s GENERAL OBLIGATION UNLIM

-----Original Message-----

From: Saxton, Thomas (Treasury)  
Sent: Tuesday, March 20, 2012 3:50 PM  
To: Stibitz, Brom (Treasury); Dillon, Andy (Treasury); Buhs, Caleb (Treasury); Stanton, Terry (GOV)  
Subject: Fw: (BMP) MOODY'S DOWNGRADES DETROIT (MI)'s GENERAL OBLIGATION UNLIM  
Importance: High

----- Original Message -----

From: Lorbert, Adam M <adam.lorbert@baml.com>  
To: Saxton, Thomas (Treasury); Barton, John (Treasury); 'lee.donner@firstsw.com' <lee.donner@firstsw.com>  
Sent: Tue Mar 20 15:21:15 2012  
Subject: FW: (BMP) MOODY'S DOWNGRADES DETROIT (MI)'s GENERAL OBLIGATION UNLIM

In case you haven't seen this yet. - Adam

-----  
  
MOODY'S DOWNGRADES DETROIT (MI)'s GENERAL OBLIGATION UNLIMITED  
2012-03-20 19:11:04.928 GMT

Genevieve Nolan	Henrietta Chang
Analyst	VP - Senior Credit Officer
Public Finance Group	Public Finance Group
Moody's FIS Domestic Sales	
Office - Chicago IL	

JOURNALISTS: 212-553-0376    JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653    SUBSCRIBERS: 212-553-1653

MOODY'S DOWNGRADES DETROIT (MI)'s GENERAL OBLIGATION UNLIMITED TAX AND  
CERTIFICATE OF PARTICIPATION DEBT TO B2 AND GOLT DEBT TO B3

RATINGS REMAIN ON REVIEW FOR POSSIBLE DOWNGRADE

New York, March 20, 2012 — Moody's Investors Service has downgraded to B2 from Ba3 the City of Detroit's (MI) \$553.1 million of outstanding general obligation unlimited tax (GOULT) debt, and has also downgraded to B3 from

B1 the city's \$486.4 million of outstanding general obligation limited tax (GOLT) debt. Moody's also downgraded to B2 from Ba3 the Detroit Retirement Systems Funding Trust 2005's \$520.2 million of outstanding Taxable Certificates of Participation (COPs), Series 2005A; and the Detroit Retirement Systems Funding Trust 2006's \$948.5 million of outstanding Taxable COPs, Series 2006A and Series 2006B. The COPs are secured by the city's unconditional contractual obligation to pay debt service, which

is not subject to annual appropriation. The ratings remain under review for possible downgrade.

#### SUMMARY RATINGS RATIONALE

The downgrades are based on the city's weakened financial position, as evidenced by its narrow cash position, reliance on debt financing to stabilize operations and ongoing labor concession negotiations, both of which are yet to be secured and will aid in maintaining a positive cash position. Although efforts to stabilize the city's finances and improve liquidity are ongoing and could be resolved over the very near term, protracted discussions continue and this uncertainty increases bondholder risks. The state continues its in-depth review of the city's finances, which could result in bringing the city one step closer to bankruptcy filing. Finally, recently filed audited financial results for fiscal 2011 confirm our expectation of continued financial strain, with a sizable operating deficit and a large negative General Fund balance.

Maintenance of the rating on review for downgrade is based on two remaining challenges facing the city's path to fiscal stability over the near term that may more likely than not put additional stress on the credit. First, the ongoing effort to repeal the current state oversight law may result in either diminished state authority or result in an absence of a state oversight framework until a vote on the repeal is held. However, it should be noted that signatures for the repeal effort have yet to be certified and there is the possibility of replacement legislation if the current law were suspended. Additionally, the downgrade of the rating of the COPs to below Ba3 constitutes a termination event under revised swap terms that became effective June 2009. Under such a termination event, the counterparties could trigger a termination payment, payable over seven years, which would further complicate the city's ability to manage its cashflow over the medium to longer term.

#### STRENGTHS

- Diverse revenue base for the General Fund
- Strong state oversight provided by Michigan Public Act 4
- Recent resurgence of domestic automakers, resulting in hiring across the metro Detroit region

#### CHALLENGES

- Weak liquidity profile, requiring active cash flow management techniques including debt refinancing to meet operating needs
- Ongoing inability to achieve structural balance in the General Fund
- Significant, ongoing General Fund support for the Transportation Fund
- Potential termination payment due for swap agreements issued in conjunction with Series 2005 and 2006 Certificates of Participation
- Declining population base and resulting service delivery issues for a smaller population spread across a wide base
- Ongoing state review of the city's finances, which may result in appointment of an emergency manager which is the first requisite step to filing for bankruptcy

#### Outlook

Maintenance of the rating on review for downgrade is based on two remaining challenges facing the city's path to fiscal stability over the near term that may more likely than not put additional stress on the credit. First, the ongoing effort to repeal the current state oversight law may result in either diminished state authority or result in an absence of a state oversight framework until a vote on the repeal is held. Additionally, the downgrade of the rating of the COPs to below Ba3 constitutes a termination event under revised swap terms that became effective June 2009. Under such a termination event, the counterparties could trigger a termination payment, payable over seven years, which would further complicate the city's

ability to manage its cashflow over the medium to longer term.

#### WHAT COULD CHANGE THE RATING - UP

- Material operating surpluses, achieved through structurally balanced financial results that will carry forward to future fiscal years
- Sustained economic improvement coupled with revenue enhancements
- A material improvement in the city's unrestricted cash and investment position such that the city continues to be less dependent on cash flow borrowing

#### WHAT COULD CHANGE THE RATING - DOWN

- Revenue challenges that continue to exceed expenditure (and alternate revenue) solutions
- Continued operating deficits leading to heightened cash-flow weakness
- Further increase of the city's leveraged position
- Economic performance which would be unable to sustain revenue growth or revenue stability
- Increase in likelihood of either a bankruptcy filing or plan to default on debt obligations

#### PRINCIPAL METHODOLOGY USED

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

Although this credit rating has been issued in a non-EU country which has not been recognized as endorsable at this date, this credit rating is deemed "EU qualified by extension" and may still be used by financial institutions for regulatory purposes until 30 April 2012. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on [www.moody.com](http://www.moody.com).

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Information sources used to prepare the credit rating are the following:  
parties involved in the ratings, parties not involved in the ratings, and public information.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient

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Releasing Office:

Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A.

JOURNALISTS: 212-553-0376  
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end

Provider ID: 00622267

-0- Mar/20/2012 19:11 GMT

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Rick Snyder &lt;[REDACTED]&gt;

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**Fwd: Flint water background information**

1 message

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Rich Baird <[REDACTED]> Sat, Oct 3, 2015 at 10:41 AM  
To: Rick Snyder <[REDACTED]>, Allison Scott <scotta12@michigan.gov>, "J. Frank Brown" <fbrown@generalatlantic.com>

Governor,

Frank is a good friend who serves on Home Depot's Board. He has been a big fan of what we are doing in Michigan and I am very appreciative of his and HD's quick and generous assistance.

Frank, your exec team was superb. Many many thanks!

Rich

*Sent from my Verizon Wireless 4G LTE DROID*

----- Forwarded message -----

From: "Brown, Frank" <fbrown@generalatlantic.com>

Date: Oct 3, 2015 8:49 AM

Subject: Fwd: Flint water background information

To: bairdr@michigan.gov, [REDACTED]

Cc:

Hi. Hope this was helpful. Have a good weekend.

Frank

Sent from my iPad

Begin forwarded message:

From: <Craig\_Menear@HomeDepot.com<mailto:Craig\_Menear@homedepot.com>>

Date: October 3, 2015 at 9:40:29 AM EDT

To: <fbrown@generalatlantic.com<mailto:fbrown@generalatlantic.com>>, <carol\_tome@homedepot.com<mailto:carol\_tome@homedepot.com>>, <Tim\_Crow@homedepot.com<mailto:Tim\_Crow@homedepot.com>>

Subject: RE: Flint water background information

Subject: RE: Flint water background information

Frank: Just wanted to circle back on the action taken by the Home Depot Team. Our team connected with Richard Baird and received direction on the greatest need. As a result, we took the following action;

1. Donated 10 pallets of water for the Flint schools
2. Donated 8 pallets for the police and fire departments (we believe they will distribute to families)
3. We facilitated the purchase of water filters by the Red Cross (\$80,000) with our supplier

In addition we are lowering our pricing on water and filters in the market to assist customers with purchase. Our district manager also conducted a training session on how to install/use the filters which will be shared with residents.

We will stay in contact with Rich and the Mayor's office if additional needs arise.

Craig

-----Original Message-----

From: Brown, Frank [mailto:fbrown@generalatlantic.com]

Sent: Wednesday, September 30, 2015 10:48 AM

To: Menear, Craig A; Tome, Carol; Crow, Tim

Subject: Fwd: Flint water background information

Hi all. See below. My friend Rich is chief of staff for Governor Snyder. If we are interested in trying to help with this problem, please let me know and I will make the connection. Thanks a lot.

Frank

Sent from my iPad

Begin forwarded message:

From: "Baird, Richard (GOV)"

<bairdr@michigan.gov<mailto:bairdr@michigan.gov><mailto:bairdr@michigan.gov>>

Date: September 30, 2015 at 3:34:15 PM GMT+1

To: "Frank Brown

(fbrown@generalatlantic.com<mailto:fbrown@generalatlantic.com><mailto:fbrown@generalatlantic.com>)"

<fbrown@generalatlantic.com<mailto:fbrown@generalatlantic.com><mailto:fbrown@generalatlantic.com>>

Cc: "Hollins, Harvey (GOV)"

<hollinsh@michigan.gov<mailto:hollinsh@michigan.gov><mailto:hollinsh@michigan.gov>>

Subject: FW: Flint water background information

Frank:

We have a situation in Flint, Michigan that is beginning to get national attention and could be an opportunity for Home Depot. 18 months ago, Flint switched its water supply from Detroit Water (the distance and pumping costs of going uphill made it quite expensive) to the Flint River as a temporary answer, until they could finish the construction to get their water from Lake Huron (Karagondi Water System). The corrosive attributes of the River water have exacerbated the lead deposit leaching into homeowner pipes and there is concern around lead poisoning, especially for infants.

The corporate community is rallying to address the problem. [REDACTED] donated 1500 water filters to low income residents and GM is about to announce a donation of between 5,000 and 10,000 filters. I do not yet know where GM is getting the filters from, but I was thinking that Home Depot might want to join the effort with a donation, supply chain discounting assistance, or some combination of activity that could help Flint residents. Harvey Hollins is our point person for this effort, since he is the Director of Urban Initiatives for Governor Snyder. I have copied him here.

If you could get this into the hands of the right people and see if there is interest in speaking with Harvey, I would be very appreciative. Thanks and take care.

Regards,

Rich

From: Murray, David (GOV)

Sent: Wednesday, September 30, 2015 9:35 AM

To: Baird, Richard (GOV)

Subject: Flint water background information

Hi Rich.

These are two documents that I think are helpful addressing the questions about lead and Flint water overall, prepared by DEQ and DHHS. These were intended for internal use, so please ask our partners to not share them beyond the people on their teams making the decisions.

Please let me know if you need anything else.

Dave

Dave Murray

Deputy Press Secretary | Executive Office of Governor Rick Snyder

MurrayD1@michigan.gov<mailto:MurrayD1@michigan.gov><mailto:MurrayD1@michigan.gov>

517-335-6397, office

mobile

Twitter: @michigandmurray

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[cid:A2F234B4-A10A-4824-B5B1-1ED79504A765]



Attachment-1.jpeg

105K



Rick Snyder &lt;[REDACTED]&gt;

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**Flint Water Update call**

2 messages

---

**Allison Scott** <[REDACTED]>  
To: Rick Snyder <[REDACTED]>

Tue, Oct 6, 2015 at 6:52 PM

The team is having an update call tomorrow morning at 8. If you want to call in, let me know and I'll add to your schedule. I think you have the latest and greatest info in briefing. I didn't just add to your schedule as you talked with Dan earlier and based on your departure time you probably wouldn't have good signal for the first 15-20 mins. I plan to listen in.

Dan also indicated, after sending the info for the briefing that he is concerned re FOIA and that you guys discussed possibly having a daily update call. We can certainly make this happen as well.

Dan also indicated that most likely he will let me know tomorrow if it is time for you to call Ridgeway and make the ask. All the prep work has been done but in the end the ask has to come from you.

let me know if you would like this added to your schedule.

thanks  
ALS

Hi Allison,

I am forwarding this meeting notice to you in case the Governor wants to join in by conference call. The call in number is below:

[REDACTED]  
Access Code: [REDACTED]  
Dan Wyant will have the host number.

Thank you.

-----Original Appointment-----

**From:** Thelen, Mary Beth (DEQ)

**Sent:** Tuesday, October 06, 2015 4:18 PM

**To:** Thelen, Mary Beth (DEQ); Durfee, Sally (TREASURY); Saxton, Thomas (Treasury); Lyon, Nick (DHHS); Hertel, Elizabeth (DHHS); Lasher, GERALYN (DHHS); Wells, Eden (DHHS); Wyant, Dan (DEQ); Pallone, Maggie (DEQ); McDonald, Paul (DEQ); Krisztian, George (DEQ); Wurfel, Brad (DEQ); Tommasulo, Karen (DEQ); Wurfel, Sara (GOV); Workman, Wayne (TREASURY); Becker, Timothy (DHHS); Muchmore, Dennis (GOV); Baird, Richard (GOV); Hollins, Harvey (GOV); Roberts, John (DTMB); Harkins, Chris (DTMB); 'Sygo, Jim (DEQ) (SygoJ@michigan.gov)'; Murray, David (GOV)

**Cc:** VanSickle, Michele (GOV); Wisniewski, Wendy (GOV); Pleyte, Beth (Treasury); Grijalva, Nancy (DHHS); Rockefeller, Cheryl (DHHS); Shaler, Karen (DEQ); Clayton, Stacie (GOV); Minix, Connie (DTMB); McNeely, Jacques (DTMB); Starr, Scott (DTMB); Fenning, Caron (DTMB); Duncan, Nancy (DTMB)

**Subject:** City of Flint Budget Discussion at 8:00 a.m.

**When:** Wednesday, October 07, 2015 8:00 AM-9:00 AM (UTC-05:00) Eastern Time (US & Canada).

**Where:** Great Lakes Conference Room, 6th Floor South Tower, Constitution Hall , 525 W. Allegan Street  
Or see call in number below in text of this meeting notice.

**Importance:** High

Director Dan Wyant has asked that I schedule a meeting for **Wednesday morning, October 7, 8:00 a.m.** , with the following:

Please attend in person if you can; however, for those who cannot participate in person, **here is the call in number for 8:00 a.m.**

[REDACTED]

Access Code: [REDACTED]

Dan Wyant will have the host number.

- Governor's Office

Dennis Muchmore

Richard Baird

Harvey Hollins

Sarah Wurfel

Dave Murray

- Treasury

Sally Durfee

Tom Saxton

Wayne Workman

- DHHS

Nick Lyon

Elizabeth Hertel

Geralyn Lasher

Dr. Eden Wells

Tim Becker

- DTMB/Budget

Chris Harkins

John Roberts

- DEQ

Dan Wyant

Maggie Pallone

Paul McDonald

George Krisztian

Brad Wurfel

Karen Tommasulo

Jim Sygo

Thank you for adjusting your schedule to accommodate this meeting/conference call at 8:00 a.m. We so very much appreciate your cooperation.

Mary Beth Thelen  
DEQ  
517-284-6712

---

RFM <[REDACTED]>

Wed, Oct 7, 2015 at 7:44 AM

To: Allison Scott <[REDACTED]>

Please add to my schedule and I will call in around 8:25 to listen in or to get a summary of the call.

Thanks  
Rick

Sent from my iPad  
[Quoted text hidden]



Rick Snyder &lt;[REDACTED]&gt;

---

**Fwd: Det News EAA Stroy**

1 message

---

**Brian Calley** <[REDACTED]>

Thu, Oct 15, 2015 at 7:56 AM

To: Rick Snyder &lt;[REDACTED]&gt;

FYI

Begin forwarded message:

**From:** "Calley, Brian (GOV)" <[REDACTED]>**Date:** October 15, 2015 at 7:34:28 AM EDT**To:** "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>**Subject:** Re: Det News EAA Stroy

My gut tells me that we should change our posture and stories like this. On Flint water and DPS corruption, I'd like to see us as the and accountability enforcer. The statement is fine but I would've gone on to say... The allegations are worse than just corruption, it involves stealing from children. The governor will spare no expense or resources to ensure that the guilty parties are brought to justice.

Flint would be a little bit different, but the same type of attitude might be helpful. There will be intense scrutiny and investigations on every aspect of the Flint water issue. I'd rather have the governor be the one pounding his fist on the table demanding answers, than Progress Michigan. In fact, perhaps we should ask somebody to open an investigation, or maybe an internal investigation. Just something to show that we are doing more than fixing the problem, we are getting all the answers to ensure it never happens again.

On Oct 15, 2015, at 6:41 AM, Agen, Jarrod (GOV) <AgenJ@michigan.gov> wrote:

Laura,

Get with me or Sara this morning, so you & LG can get all the background on this.

Det News rushed this story last night and buried the fact that the EAA actually reported this to the authorities for an investigation and have been coordinating with Feds all along.

This is the statement that was used last night. But we are going to have to say more on it today.

*The EAA has been notified by the FBI that it is a possible victim in an ongoing investigation. This investigation resulted from evidence of discrepancies and potential misconduct discovered internally at the EAA and immediately referred to state and federal law enforcement officials. We have been specifically requested not to discuss or disclose any information regarding the*

*investigation, and we are honoring that request except to say we have and will continue to fully cooperate with the investigation."*

Fed corruption probe targets DPS, EAA officials

<http://www.detroitnews.com/story/news/local/michigan/2015/10/14/dps-eaa-probe/73967136/>



**Pages 16-17 redacted**



Tori Sachs &lt;[REDACTED]&gt;

---

**Fwd: April 30 External Briefing**

1 message

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**Morgan Bedan** <[REDACTED]>

Wed, Apr 29, 2015 at 6:41 PM

To: Jessica Brown &lt;[REDACTED]&gt;, Tori Rexford &lt;[REDACTED]&gt;, Corey Utley

&lt;[REDACTED]&gt;

---

----- Forwarded message -----From: **Morgan Bedan** <[REDACTED]>

Date: Wednesday, April 29, 2015

Subject: April 30 External Briefing

To: RFM <[REDACTED]>, Allison Scott <[REDACTED]>, Beth Emmitt  
<[REDACTED]>, Morgan Bedan <[REDACTED]>

Governor,

Attached is your external briefing for April 30. The briefing contains:



2. Flint EM and Water Update



Please let us know if you have any questions.

Thank you,  
Morgan

---

 **150430 E Briefing.pdf**  
1102K

# Governor Rick Snyder

April 30, 2015  
External Briefing

Contents		Pages
Events		
<b>Redacted</b>		
2. Flint EM and Water Update – Page 8		2 – 14
<b>Redacted</b>		

**Pages 3-8 redacted**

**To:** Governor Snyder  
**From:** Harvey Hollins  
**Date:** 29 April 2015  
**Subject:** Briefing on the City of Flint

I. **Flint Emergency Management**

***Before 2011***

Flint has been devastated by decades of plant closings and mass layoffs in the auto industry. In 1970, GM employed 82,000 workers in the city. Now, there are less than 8,000. Over the same four decades, the population has gone from 193,000 to just over 100,000.

In 2002, the city of Flint attempted to avoid emergency management, by cutting \$12 million, including closing a north side police precinct and halting ambulance service. However, the review team determined that a fiscal emergency existed in Flint; former Gov. John Engler later declared a financial emergency and the city was placed under state receivership. Governor Engler appointed Ed Kurtz, former president of a private business college, as emergency financial manager to oversee Flint's finances. A city audit five months into Kurtz's tenure revealed a \$26.6 million deficit.

Before Kurtz was appointed, the city had eliminated its ambulance and housing services. The cuts Kurtz initiated included: closing the city's recreation centers, cutting mayor and council pay, raising water bills 11%, and eliminating 54 jobs.

In 2004, Governor Granholm removed the emergency manager, but continued oversight through January 2006.

***EM Administrations and governing public acts:***

o Ed Kurtz	2002-2004	PA 72
o Michael Brown	2011-2012	PA 4 (PA 4 was suspended in 2012)
o Ed Kurtz	2012-2013	PA 72 – PA 436
o Michael Brown	2013	PA 436
o Darnell Early	2013-2014	PA 436
o Gerald Ambrose	2015	PA 436

***Emergency Management after 2011***

**Achieved Benchmarks:**

- Complete elimination of operating deficits through cost reductions and the implementation of financial best practices
- General Fund accumulated deficit reduction from 19.1 million in 2012 to approximately \$7 million currently

- Flint City Lockup reopens for the first time since 2008. It can house up to 110 inmates for up to 72 hours and costs \$2.1 million annually to operate.
- Workforce and employee compensation both have been reduced by 20%
- \$850 million in unfunded OPEB liabilities has been reduced to \$240 million
- A qualified city administrator has been hired.
- Consolidation of the city-funded 68<sup>th</sup> district court into the county funded 67<sup>th</sup> district court creating \$800k in annual savings.
- Consolidation of 911 dispatch services into the county system. More than \$1 million in annual savings.
- The City has adopted its first Master Plan since the 1960s.
- The City adopted a new Capital Improvement Plan.
- The City implemented a new methodology for blight.
- The City will request a \$7 million emergency loan to fully eliminate its remaining General Fund Accumulated deficit.

#### Remaining Challenges:

- OPEB reductions are subject to a federal lawsuit. Loss of this legal action means an additional \$5million annual OPEB expense.
- Future expense reductions are necessary to balance multi-year projections.
- The transition to KWA and maintenance of the aging water distribution infrastructure are important challenges which require significant funding and continued leadership.
- The City must reappraise all of the real property in the City prior to the 2018 Assessment Roll. This will be a costly, but necessary undertaking.

## II. Flint Water

In November 2012 the Department of Treasury commissioned the firm of Tucker, Young, Jackson & Tull, Inc. (TYJT) to analyze options for the City of Flint to either remain a customer of the Detroit Water & Sewer Department (DWSD) or to join the Karegnondi Water Authority (KWA) in Genesee County. The purpose of this study was to provide objective analyses to the State Treasurer and Flint's Emergency Financial Manager (EFM) in order to secure future potable drinking water for the City.

In December 2012, staff from TYJT met with representatives from the Department of Treasury and the City of Flint to provide a preliminary report on their findings. At this meeting, options presented were: 1) Flint Water Plant will provide 100% water, 2) 100% provision of untreated Lake Huron Water by KWA, 3) 100% provision of treated drinking water by DWSD, or 4) provision of variable amounts of water from DWSD using a combination of blended DWSD water and Flint River water.

The Flint EFM eliminated all options except the 100% DWSD option or joining KWA, deciding later to join KWA.

On April 25, Flint officially ended nearly 50-years of using DWSD to supply water.

The city currently uses the Flint River until the Karegnondi Water Authority pipeline is built, which will bring untreated Lake Huron water to Genesee County. KWA should be operational by winter 2016.

The Flint River water is harder than DWSD. A number of residents are experiencing discoloration and odor with the water. In addition there have been a number of citations largely around heightened levels of Total Trihalomethanes (TTHM).

Given water quality concerns, suggestions have been made that the City of Flint should return to using water purchased through the Detroit Water and Sewerage Department (DWSD). For many reasons, financial and otherwise, the City of Flint can ill-afford to switch courses at this point. The estimated cost to go back to the water provided by the DWSD is approximately \$1 million per month and the City expects to be using the Karegnondi Water Authority (KWA) Lake Huron water within or before the 1<sup>st</sup> quarter of 2016.

The City of Flint is proceeding with a series of actions to ensure the continued safety of Flint drinking water is maintained and that issues of discoloration and odor continue to be addressed. Most notably, the installation of a Granulated Active Charcoal filter (GAC) at the Water Treatment Plant is expected to be authorized this week by Emergency Manager Jerry Ambrose.

The introduction of the GAC to the treatment process at Flint's plant will absorb or reduce the chemical precursors which will block or eliminate the formation of TTHM during the filtration process. Engineering and design are underway and installation of the GAC is targeted for completion by mid-July. Cost of this improvement is projected at \$1.5 million and will be paid for by the proceeds from the state approved restructuring of the City's Drinking Water Revolving Fund loans.

In addition to the installation of the GAC, the City of Flint is undertaking a number of other improvements to the water system in the coming months, including a water leak detection monitoring, completion of the hydraulic model and subsequent targeted hydrant flushing program, and the replacement of two miles of water main pipe in a critical area of the city. All of these improvements scheduled to occur within the next six months.

**Pages 12-15 redacted**





Jarrod Agen &lt;jarrodagen@gmail.com&gt;

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**DRAFT: Flint communications plan**

3 messages

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**Meegan Holland** <[REDACTED]>

Wed, Dec 23, 2015 at 10:04 PM

To: Richard Baird &lt;[REDACTED]&gt;

Rich and Jarrod,

Here is a communications plan to carry us through the next several days.

Jarrod, Rich and I have gone over this and tweaked it. I would have sent you the original version but just now got your personal email. For now, we prefer to keep this plan offline. Please read this soon, because it kicks in tomorrow, as you'll see!

Let me know if you have any questions. And Rich, I hope I incorporated all your suggestions.

- Meegan

--

Meegan Holland

Mobile [REDACTED]

Twitter: @meholland

**DRAFT Flint water communications plan.docx**

19K

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**Rich Baird** <[REDACTED]>

Wed, Dec 23, 2015 at 11:06 PM

To: Meegan Holland &lt;[REDACTED]&gt;

Cc: Jarrod Agen &lt;[REDACTED]&gt;

Excellent, Meegan. Jarrod, if you approve, we should get this in RDS hands asap. Also i asked for a call with RDS for tomorrow with Harvey. Scheduled for 11 am eastern if you/Meegan wish to join.

Rich

*Sent from my Verizon Wireless 4G LTE DROID*

[Quoted text hidden]

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**Jarrod Agen** <[REDACTED]>

Thu, Dec 24, 2015 at 12:00 AM

To: Rich Baird &lt;[REDACTED]&gt;

Cc: Meegan Holland &lt;[REDACTED]&gt;

Thank you both for the late night effort on this.

Few thoughts:

1) I'm all for the Governor talking to Mayor Weaver. However, I think we'll want the following information prior to calling the mayor:

- He'll need the Auditor General report and a summary before calling her.
- He'll need the "ideas on how to get more resources for blood level testing"

2) I agree we need a new "water comms team" and I think Ron Leix is a great fit. Mel Brown is in the middle of major efforts at TED and I'd much prefer someone with more subject matter expertise (or close association to Flint) to fill that other comms role.

3) We need senior staff (like Harvey, Walsh, Dick, and Redford) to take a close look at that Dec 29 statement. Make sure this is marked as draft suggested talking points still to be reviewed at the staff level. However, we want to make sure the Governor is comfortable with this general direction.

4) Yes, I would very much like to join the 11am call tomorrow. I would suggest Meegan joins as well.

5) We should use our official email accounts for this. This is state business. We are doing the right thing. I don't ever want to give the appearance that this group is trying to NOT be transparent by using personal accounts.

[Quoted text hidden]

## **DRAFT: FLINT WATER PLAN**

### **Thursday, Dec. 24: Gov. calls Karen Weaver to set up a meeting**

Talking points:

“I’ve read the draft of a report from the state’s Office of the Auditor General and I’ve been briefed on the task force’s progress in its ongoing investigation.

“I want to work together with you to get this problem solved. As partners, we can get resources in place more quickly.

“I want to assure you this isn’t a political move on my part – I’m a problem solver and I intend to be your partner in addressing this to make it right. I’m truly sorry that all this has happened.

“I have some ideas on how to get more resources for blood lead level testing and remediation – financial as well as state personnel, and I’d like to discuss those with you.

“It sounds like you have a block of time available on the morning of Jan. 7. Would you be able to come to Lansing so we could talk between 9-10 a.m.? If so, I’ll make sure Beth Emmitt, my scheduler, confirms with Maxine Murray.”

### **Saturday, Dec. 26, or Monday, Dec. 28: Getting organized**

We need to get the ball rolling on creating a healthy water communications team – potentially Mel Brown of TED and Ron Leix of MSP’s Emergency Management and Homeland Security Division. Both are genuine and empathetic, and can convey information in a reassuring way.

This duo would work with DHHS’ and DEQ’s respective communications teams, but also free up those teams to work on other issues not related to Flint water. The healthy water team would be the point people for anything concerning Flint water and lead issues, and will have the authority to assist Harvey Hollins, cut red tape for researchers who want access to DHHS and DEQ records, respond to media requests, edit and/or write press releases in conjunction with the Governor’s communications team and more.

Rich Baird or another appropriate person needs to discuss with Steve Arwood and Col. Etue about “borrowing” Mel and Ron. We would like to introduce these two at the January press conference with the Governor and Mayor Weaver, saying, “These are the folks who will answer questions and provide information to media and stakeholders about the Flint water crisis.”

### **Monday, Dec. 28, or Tuesday, Dec. 29: Asking researchers for help**

Nick Lyon reaches out to Virginia Tech researcher Marc Edwards and Hurley Hospital’s Dr. Mona Hanna-Attisha to help state lead and water experts who have worked on Flint’s issues. The purpose is to share information, compare results and track how those results were reached to ensure best practices and accurate reporting.

We’d ask this of Edwards and Hanna-Attisha:

- Your research has been eye opening and we're hoping you'll be willing to join an effort to ensure Flint's water is safe.
- We'd like you to sit down with state epidemiologists and other researchers so you can discuss lead levels and other issues related to the Flint water crisis. There have been variances and we want to be as accurate as possible.
- We want you to have as much access to our data as is possible under HIPPA laws so we can determine the extent of the problem.
- We want the team to brainstorm ways to get Flint's water back to safe levels for drinking, and to help families learn how they can mitigate any effects from lead.
- Once the water is safe, we want your help in showing the people of Flint that their water is drinkable.
- If you're willing to help, we'd like to announce this at a press conference in January and would love to have you both attend, if possible.

In addition, Capt. Chris Kelenske and/or Nick Lyon need to explore more ways to help Flint, including the idea of an imminent danger declaration. *Has MSHDA explored HUD grants to help families who need to upgrade their service lines? Are there other resources we can draw from?*

#### **Tuesday, Dec. 29: Governor releases statement on Flint water**

This statement is meant to manage expectations on the timing of the report (probably another month at least) and to signal that action may come sooner than that (the Jan. 4 changes and those to be announced at the press conference).

"I've been briefed on the recent meeting of the task force studying the Flint water situation and I've read the report from the Office of the Auditor General on the processes used by DEQ to monitor Flint water.

"No matter what the testing requirements were, they were not enough to prevent this crisis. I want Michigan to be the state that is known for the safest water in the nation.

"I'd like to thank the task force for keeping me apprised of their continuing investigation. As they uncover more facts, it's clear to me we can do better. The report may take another month or so, but if we need to make changes more swiftly, I plan to take immediate action.

"The bottom line is we'll take responsibility for our part in Flint's water crisis. I'm committed to partnering with all of the stakeholders who are as concerned about public health as I am. I vow to make sure that Flint citizens will have safe drinking water. And I'm so very sorry that this happened.

"But I know an apology isn't enough. We've already allocated \$10 million to test the water, distribute water filters, and help in other ways. On Thursday, I called Flint Mayor Karen Weaver, and we're going to sit down in the next week to discuss other ways the state can offer assistance.

"What happened in Flint is inexcusable. I want to assure residents there that we will work hard to make things right."

#### **Monday, Jan. 4 – Personnel changes**

Dave Murray talking point: “I can’t speak to the specifics, but yes, there have been changes in personnel at the DEQ. We’ll announce soon who you can contact to get information about Flint’s water situation. For now, you can call me.”

**Thursday, Jan. 7 – Meeting between the Governor and Mayor Karen Weaver**

Governor’s talking point: “We had a great meeting today. Mayor Weaver had some great ideas that we want to flesh out. We’ll announce soon how we plan to move forward in solving the problems with Flint water.”

**Possibly Jan. 11 or 13 - Press conference with the Governor and Mayor Weaver to announce action plan**

**Also in attendance:** Point person Harvey Hollins, Directors Nick Lyons and Dan Wyant, Capt. Chris Kelenske, Healthy Water communications team Mel Brown and Ron Leix, Sen. Jim Ananich, Rep. ???, Marc Edwards?, Dr. Mona Hanna-Attisha, who else?

Talking points:

Weaver announces more state money to help Flint and talks about how she’s encouraged by the Governor’s action plan and looks forward to working with Harvey Hollins.

Harvey briefly describes his role – as the boots on the ground in Flint and the coordinator for state resources.

Gov. Snyder reiterates his sadness over the situation and says it calls for extraordinary measures, which the state is prepared to make:

- The state will form a team of independent and state water and lead level experts to go over the various results. The team will include Virginia Tech’s Marc Edwards and Hurley Hospital’s Dr. Mona Hanna-Attisha, along with state epidemiologists, DEQ experts, etc.
- The team will have full access to DEQ and DHHS records.
- Mel Brown and Ron Leix will be the Healthy Water team and serve as point people for all things Flint water and lead levels.
- The state is exploring the best options to provide more help for Flint, including an imminent danger declaration, HUD grants for infrastructure improvements, etc.
- We will document what we learn from this experience to help other cities with water/lead issues.



Jarrod Agen &lt;

&gt;

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**Fwd: A Message from Mayor Weaver**

1 message

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**Muchmore, Dennis (GOV)** <muchmored@michigan.gov>

Fri, Nov 13, 2015 at 7:47 PM

To: Jarrod Agen

This is the summary, how would you like to approach this?

Begin forwarded message:

From: Maxine Murray <mmurray@cityofflint.com<mailto:mmurray@cityofflint.com>>  
Date: November 13, 2015 at 4:43:46 PM EST  
To: "Hollins, Harvey (GOV)" <hollinsh@michigan.gov<mailto:hollinsh@michigan.gov>>,  
<muchmored@michigan.gov<mailto:muchmored@michigan.gov>>  
Cc: Karen Weaver <kweaver@cityofflint.com<mailto:kweaver@cityofflint.com>>  
Subject: A Message from Mayor Weaver

Good afternoon,

Per the conversation today, please see below:

- a. City Attorney Appointment
- b. Department of Public Works Appointment
- c. Fire Chief Appointment
- d. Human Resources Appointment
- e. Tier II Cabinet Appointment
- f. Discussion with Natasha Henderson - roles and responsibilities
- g. Mayor, Face of the City - Media
- h. Meeting with State Police and Mayor
- i. Meeting with Governor and Flint delegation
- j. Placement of State Park in Flint
- k. Third Party Validator
- L. Joint Press Conference with DEQ Director

Thank you.

--  
Maxine Murray  
Executive Assistant to  
Dr. Karen W. Weaver, Mayor  
City of Flint  
1101 S. Saginaw Street  
Flint, MI 48502  
810.237.2035 Telephone  
810.766.7218 Fax



Jarrod Agen &lt;

---

**Leadership plan**3 messages

---

**Beth Clement** <

Mon, May 4, 2015 at 12:52 PM

To: "

Allison Scott &lt; , Jarrod Agen &lt;

Please see below. Rich has added his comments. Let me know if anyone has anything else they would like to see included.

Monday Conference Call: Discuss below proposal and recommendation with Governor

Tuesday COS: include Rich Baird (Roberts and Jarrod?) to outline plan moving forward.  
There is a dual need to articulate primary project and strategic responsibilities and reinforce the need to avoid distraction by engaging in areas best left to others on the team.

Further, we need to remind ourselves innocent comments made by members of the Governor's "inner circle" can and most likely will be misconstrued by members of the media, or by those who share their "private" conversations with media types either on or off the record.

**Topline Recommendation:**

Dennis to focus on explicit top agenda items, take lead with Walsh and Dick on policy and legislative priorities (including a more proactive relationship building strategy with key members of House/Senate leadership).

REDACTED

**Specific Duties:**

Dennis:

Focus on top policy and legislative priorities and coordinate with Walsh and Dick-

REDACTED

Flint Water

Point for Quality of life group

REDACTED

Rich:

REDACTED

Beth:

REDACTED

John:



Jarrold:

Sent from my iPad

---

**Allison Scott** <

Mon, May 4, 2015 at 1:05 PM

To: Beth Clement <

Cc:

Jarrold Agen <

I shared with the Gov as he has travel time now to review

Conf call line for the 4:30 is:

On Mon, May 4, 2015 at 12:52 PM, Beth Clement <

wrote:

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REDACTED

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REDACTED

Flint Water

Point for Quality of life group

REDACTED

Rich:

REDACTED

Beth:

REDACTED

John:

REDACTED

Jarrold:

Sent from my iPad

---

**Jarrold Agen** <j  
To: Jarrold Ager

Thu, Mar 10, 2016 at 9:38 AM

----- Forwarded message -----

From: **Allison Scott**

Date: Monday, May 4, 2015

Subject: Leadership plan

To: Beth Clement

Cc:

Jarrold Agen

I shared with the Gov as he has travel time now to review

Conf call line for the 4:30 is:

On Mon, May 4, 2015 at 12:52 PM, Beth Clement <

wrote:

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REDACTED

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Dennis:

Focus on top policy and legislative priorities and coordinate with Walsh and Dick-

REDACTED

Flint Water

Point for Quality of life group

REDACTED

Rich:

REDACTED

/  
Beth:

REDACTED

John:

REDACTED

Jarrold:

Sent from my iPad



Jarrold Agen

---

**Fwd: Donating water to Flint made easy**

3 messages

Tori Rexford  
To: Jarrod Agen

Tue, Oct 6, 2015 at 11:50 AM

Fyi

Begin forwarded message:

Date: October 6, 2015 at 11:32:17 AM EDT  
To: Tori Rexford <[supportDetroit@uber.com](mailto:supportDetroit@uber.com)>  
Subject: Fwd: Donating water to Flint made easy

----- Forwarded message -----  
From: Uber Michigan <[supportDetroit@uber.com](mailto:supportDetroit@uber.com)>  
Date: Tue, Oct 6, 2015 at 11:18 AM  
Subject: Donating water to Flint made easy

**UBER**



**WATER DONATION MADE EASY**

This week, we're uniting as a community around an important local cause. We're making it easy to donate bottled water to the people of Flint who need our help getting clean water.

From Tuesday, October 6 - Thursday, October 8, with the touch of a button, a driver will come to your house, office or school, to pick-up your bottled water donation. Then we'll deliver it directly to Flint Community Schools - all for free!

[GET THE DETAILS](#)

Available through Thursday, October 8 from 2pm - 7pm daily.

Want to mobilize your organization for a large scale donation?  
Let us know here and we'll help coordinate!

#### SHARE THE NEWS



POST IT



TWEET IT

Uber Technologies Inc.

1455 Market Street San Francisco, CA 94103

[Get Help](#)

[View Online](#)

[Unsubscribe](#)

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**Jarrold Agen** <

To: Bettina Inclán

Tue, Oct 6, 2015 at 12:09 PM

[Quoted text hidden]

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**Bettina Inclán**

To: Jarrold Agen

Tue, Oct 6, 2015 at 12:13 PM

Does the governor support this effort?

Bettina Inclán-Agen

[Quoted text hidden]

Communications Update

Gmail

Communications Update

Inbox (2,380)

Unread (1)

Starred (0)

Blocked (0)

Disabled (0)

Deleted (0)

Spam (0)

Trash (0)

Archive (0)

Labels (0)

More (0)

10.72 GB (71%) of 15 GB used  
Manage

Sign in

Communications Update  
2/3/2015

Flint Water Event

REDACTED

Events

- West Michigan Policy Forum Board (2/4)
- GR FIRST Robotics at Steelcase (2/6)
- Michigan Press Association (2/6)
- Business to Business Summit on Disability (2/9)

Interviews:

- Post Budget Media (2/11)
- New York Morning Shows (2/12)



COS Agenda  
February 12, 2015

Weekly COS Issues

REDACTED

10. Flint Water

REDACTED

Communications Update  
2/3/2015

Issues:  
Flint Water

REDACTED

Events:

- West Michigan Policy Forum Board (2/4)
- #UMichChat (2/6)
- GR FIRST Robotics at Steelcase (2/6)
- Michigan Press Association (2/6)
- Business to Business Summit on Disability (2/9)
  - Gov/LG roles
  - GVSU student with disability/X Games
- Detroit State of City address (2/10)

Interviews:

- Post Budget Media (2/11)
- New York Morning Shows (2/12)
- Michigan Public Radio Network call-in show – post budget/SOTS
- CEO Magazine Qs
- WWJ Heat & Warmth Fund Telethon (2/6) →
- Politico – profile piece & State Solutions

COS Agenda  
January 29, 2015



Weekly COS Issues

REDACTED

✓ Flint Waters

REDACTED

**AGENDA  
SENIOR STAFF MEETING**

**Monday, February 9, 2015**

**Call-in Information:**

REDACTED

- ✓ OUMI Update (Hollins)  
Flint Water

Communications Update  
2/3/2015

Issues:

Flint Water

Events:

- West Michigan Policy Forum Board (2/4)
- #UMichChat (2/6)
- GR FIRST Robotics at Steelcase (2/6)
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- Politico – profile piece & State Solutions

## **Communications Update Meeting**

March 4, 2015

- Flint Water
  - Extreme Comments
  - Short Term Plan: Filters?
  - Long Term Messaging

### **Upcoming Events:**

- Reading Month with Capitol tours (3/10, 3/11, 3/12)
- Oakwood Hospital Re-opening (3/12)
- Energy Message (3/13)

### **Interviews:**

- Chris Illitch hosting for Paul W. (3/5)
- Rick Pluta (3/9)
- Morning Road Radio (3/10, 3/11, 3/12)
- Tavis Smiley in Detroit

**Communications Update Meeting**  
April 7, 2015

- Flint EM

**Upcoming Events:**

- Rosen Doodle Party (4/10)
- FIRST Robotics State Championship (4/11)
- Fuel Detroit (4/13)
- MDHHS Launch Event (4/14)

**Interviews:**

- Rochelle Riley: Reinvention Plan Update (4/8)
- Tom Walsh: New Tech (4/8)
- Ann Arbor Observer Profile (4/8)
- Bloomberg (4/10)
- Steve Hood: Detroit Wants to Know (4/13)

## **Communications Update Meeting**

Sept. 8, 2015

- Flint water

### **Upcoming events**

- Tribal Summit (Sept. 24)
- Kevin VanDam fishing trip (Sept. 25)
- Sept. 28
  - Bangla grand opening
  - Rising Tides kickoff
  - DTE Energy Investor Day
- Middle Eastern American Affairs Commission (Sept. 29)
- MichAuto (Sept. 30)
- Detroit 2.0/Homecoming (Sept. 30)
- CA Ambassador trip (Oct. 1)

### **Interview requests**

- WDET looking for time in studio with Stephen Henderson later in the month



## **Communications Update Meeting**

Sept. 24 2015

- Flint water

### **Upcoming events**

- Tribal Summit (Sept. 24)
- Chinese President/State Dept visit (Sept. 25)
- Sept. 28 - Detroit
  - Amazon grand opening
  - Rising Tides kickoff
  - DTE Energy Investor Day
- Commission on Middle Eastern American Affairs (Sept. 29)
- Sept. 30 - Detroit
  - MICHauto
  - Detroit 2.0/Homecoming (Sept. 30)
- BLM/Bill Ford CA trip (Oct. 1-2)
  - Commonwealth Club
  - Targeted 1:1 media interviews - Forbes, Reuters, Fortune, USA Today, Bloomberg, CNet, Fast Company, WIRED, SanFran Chronicle
  - MI Ambassador reception
- PREVIEW:
  - PwC CEO survey interview (Oct. 5)
  - MI Works! Annual Conference – Mt Pleasant (Oct. 5)
  - Higher education summit (Oct. 7)

### **Interviews/requests**

- Washington Post/Jim Tankersley – economic policies and 2016 (Sept. 28)
- WJR Frank Beckmann
- BBC World News Hour re: U.S.-MI China relationship
- WDET Stephen Henderson
- WDIV Flashpoint Devin

## **Communications Update Meeting**

Sept. 29 2015

- Flint water

### **Upcoming events**

- Sept. 30 - Detroit
  - MICHauto
  - Detroit 2.0/Homecoming (Sept. 30)
- BLM/Bill Ford CA trip (Oct. 1-2)
  - Commonwealth Club
  - Targeted 1:1 media interviews - Forbes, Reuters, USA Today, Reuters, Bloomberg & San Fran Chronicle
  - MI Ambassador reception
- MI Works Agency annual conference (Oct. 5)
- Higher education summit (Oct. 7)
- Ele's Place Lansing (Oct. 7)
- Celebration of Life (Oct. 8)
- Goodfellows Tribute Breakfast for Chris Illitch & Detroit District preview (Oct. 9)
- MSP helicopter unveil (Oct. 9)

### **Interviews/requests**

- CA trip 6 major media interviews (Oct. 1)
- PwC CEO survey interview (Oct. 5)
- WJR Paul W Smith – Gov and FLOM co guest hosting (TBD)

## **Communications Update Meeting**

Oct. 6 2015

- Flint water

### **Upcoming events**

- Higher education summit (Oct. 7)
  - Needs/media plan
- Ele's Place (Lansing - Oct. 7; GR – Oct. 14)
- Celebration of Life/Israel 911 ambulance (Oct. 8)
- Goodfellows Tribute Breakfast for Chris Illitch & Detroit District preview (Oct. 9)
- RGA Roundtable/events (Oct. 12)
- Hirotec grand opening & Guardian Industries employee town hall – Auburn Hills (Oct. 16)
- DPS/Detroit education reform plan launch (Oct. 19)
- DNR Conservation Officer flag lowering (Oct. 22)
- UM Cyber Security Summit (Oct. 22)
- SEMCOG (Oct. 22)
- Kevin VanDam fishing trip (Oct. 23)

#### *Look ahead:*

- Rx/Opioid task force report press conference (Oct. 26)
- NA International Cyber Summit (Oct. 26)
- Yesheva Beth dinner (Oct. 26)

### **Interviews/requests**

- MI Biz Beat & Network/Chris Holman – sometime in next two weeks
- Detroit ed reform media plan (Oct. 19, 20 & 22)
- WBCK Renk
- WBCK Richard Piet

## **Communications Update Meeting**

Nov. 3, 2015

### **Issues**

- Flint water/Al Sharpton's National Action Network demands special court

### **Upcoming events**

- World Affairs Council 66th Anniversary with Hank Paulson (Wed. Nov. 4)
- Reinventing Performance in MI State Employee Recognition (Thurs. Nov 5)
- CIO Kitchen Cabinet Meeting (Thurs. Nov. 5)
- Pancake Breakfast (Fri. Nov. 6)
- Bangala Town Ribbon Cutting (Fri. Nov. 6)
- Skilled Trades Road Show (Mon. Nov. 9)
- Notions Marketing visit (Mon. Nov. 9)
- Motion Dynamics Ribbon-Cutting (Mon. Nov. 9)
- PromiseNet Conference (Wed. Nov. 11)
- German American Chamber fall dinner (Thurs. Nov. 12)

### **Interviews/requests**

- DPTV/WDET/Bridge Magazine/New MI Media - Detroit Bankruptcy: One Year Later. (Dec 9)
- Jim Kiertzner, WXYZ
- David Bailey, WZZM
- MI Biz Beat & Network/Chris Holman
- WBCK Renk
- WJIM Steve Gruber (open ended)
- Steve Hood (Detroit Wants to Know)
- Upcoming: Year-End interview plan

**Communications Update Meeting**  
January 27, 2015

- Flint Water

**Upcoming Events:**

- MI Community College Association Leg Summit (1/29)
- MDE Career Ed Conference (2/2)
- Michigan Society of Assoc Execs (2/3)
- West Michigan Policy Forum Board (2/4)
- GR FIRST Robotics at Steelcase (2/6)
- Michigan Press Association (2/6)

**Interviews:**

- Cavuto
- New York Morning TV (FOX, MSNBC, CNN)
- Paul W. Smith in Lansing
- Bankole Multicultural Outreach



STATE OF MICHIGAN  
EXECUTIVE OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

BRIAN CALLEY  
LT. GOVERNOR

March 7, 2016

Ms. Shelby Troub, Secretary  
State Administrative Board  
Department of Technology, Management and Budget  
525 W. Allegan St.  
Lansing, MI 48909

Subject: Legal Services Contract Approved by Governor

Dear Ms. Troub:

Attached is an authorization form showing that Governor Snyder has approved two contracts for legal services pursuant to State Administrative Board Resolution 2011-1. The contracts include: (1) an agreement between Barris, Sott, Denn & Driker, P.L.L.C. and Richard D. Snyder, Governor, for the provision of legal services related to civil litigation about municipal drinking water in the City of Flint, Michigan, in an amount not to exceed \$400,000.00; and, (2) an agreement between Warner Norcross & Judd LLP and Richard D. Snyder, Governor, for the provision of legal services related to records management issues and investigations regarding municipal drinking water in the City of Flint, Michigan, in an amount not to exceed \$800,000.00.

The broad scope of the litigation and investigations related to municipal drinking water in the City of Flint, Michigan, will require the production and review of tens of thousands of potentially-relevant state documents. Because of the extensive document review necessary for the state to respond appropriately to the civil litigation and ongoing investigations, it is necessary for the above-mentioned law firms to provide legal services to supplement the legal services already being provided by the Office of the Attorney General.

Sincerely,

Valerie J.M. Brader  
Special Legal Counsel to  
Rick Snyder, Governor of Michigan

attachment

### AUTHORIZATION OF CONTRACTS

Pursuant to State Administrative Board Resolution 2011-1, I, Richard D. Snyder, hereby authorize the following contracts, in the amounts specified:

- The agreement between Barris, Sott, Denn & Driker, P.L.L.C. and Richard D. Snyder, Governor, for the provision of legal services related to civil litigation about municipal drinking water in the City of Flint, Michigan, in an amount not to exceed \$400,000.00.
- The agreement between Warner Norcross & Judd LLP and Richard D. Snyder, Governor, for the provision of legal services related to records management issues and investigations regarding municipal drinking water in the City of Flint, Michigan, in an amount not to exceed \$800,000.00.



Richard D. Snyder  
Governor

Dated: March 7, 2016

**STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL  
LEGAL SERVICES CONTRACT**

The Department of Attorney General (Department) retain and appoint Eugene Driker, Morley Witus, and Todd Mendel of Barris, Sott, Denn & Driker, P.L.L.C., each as a Special Assistant Attorneys General (SAAGs) to provide legal services.

The legal services provided to the Governor of the State of Michigan, will be pursuant to the following terms and conditions in this Contract:

**1. PARTIES/PURPOSE**

1.1 Parties. The parties to this Contract are the Department of Attorney General, the Governor, and the SAAGs from Barris, Sott, Denn & Driker, P.L.L.C.

1.2 Purpose. The Department and each SAAG agree that the SAAGs will provide legal advice and representation to the Governor, related to any civil litigation or civil investigations of Flint Water legal matters. The SAAGs will also represent the Governor in such related matters where the Department of Attorney General has determined it cannot provide representation, or the parties otherwise agree there is a conflict. This includes assisting with representation in civil litigation filed against the Governor and the State of Michigan, and civil components of, including but not limited to, those conducted by the United States Government, the United States Congress, Attorney General Bill Schuette's Special Counsel, and Genesee County. Activities performed outside the terms of this contract will not be allowed and will not be compensated.

1.3 Training. The SAAG has been retained under this Contract because of their specialized expertise and experience in a particular field of law. The SAAG agrees that the Assistant Attorney General (AAG) specifically designated in section 6.1 will act as the liaison between the SAAG and any state employee or agency served by this Contract. All assignment requests to the SAAG must be simultaneously transmitted to the assigned AAG. The SAAG must work jointly with each assigned AAG on all projects and assignments. Upon request, the SAAG agrees to explain the rationale for any legal opinion or recommendation to any assigned AAG and to assist in the development of Department staff to understand the particular field of law involved in this Contract. The SAAG agrees to simultaneously provide a copy of all correspondence to the assigned AAG and to promptly advise and provide an opportunity for the assigned AAG to participate in any telephone calls or meetings with the client served by this Contract. Any time spent by the SAAG training department staff may be billed under the terms of this Contract. If there is an area in which the Department cannot provide the Governor with representation, then the parties agree to work in good faith to execute a separate contract for SAAG services as conflict counsel.

1.4 Work Product. The SAAG understands that all work product is subject to review by the Department or the Governor's legal division, as appropriate. The Department reserves the right to deny payment for any work product deemed unacceptable. Delivery of such a deficient work product may also result in Contract termination under paragraph 10 of this Contract.



2. TERM OF CONTRACT

The initial term of this Contract is February 7, 2016 through December 31, 2016. This Contract may be extended at the option of the Department upon thirty (30) calendar days written notice.

3. COMPENSATION FOR SERVICES PROVIDED

3.1 The total amount of compensation for services and expenses during the term of this Contract cannot exceed the budget ceiling set forth in paragraph 4.1 of this Contract, unless otherwise amended by a Contract addendum.

3.2 The cost for overhead, secretarial and clerical employees or office supplies utilized by the SAAGs are part of the SAAGs' agreed upon fees and such costs will not be separately billed. No additional charges shall be allowed, except by prior written permission of the Department and the Governor.

3.3 All payment for services and reimbursement for expenses incurred shall solely be the obligation of the Governor and his Executive Office.

4. CONTRACT BUDGET, BILLING AND REIMBURSEMENT

4.1 Budget Ceiling. A budget ceiling of Two Hundred Forty Nine Thousand dollars (\$249,000) is established to cover all services and expenses performed or incurred in the performance of this Contract. Due to the nature of this Contract and the difficulty in estimating actual costs and the demand for services, the Contract budget ceiling may be increased, if approved in writing by DTMB and the Department. An increase in the budget ceiling shall not affect the established hourly rate during the term of this Contract or any amendment.

4.2 Billing for Hourly Services. The SAAGs shall bill the Department on a monthly basis. The billing format must indicate the nature of the work performed, time devoted, the individual performing the work, and the billing amount. Additional information shall be provided if requested by the Department or the Governor. All invoices shall be furnished to the Department's Contract Manager identified in section 6.1.

The discounted hourly rate to be charged for the SAAGs' work is:

Eugene Driker (P12959)	= \$540.00
Morley Witus (P30895)	= \$400.00
Todd Mendel (P55447)	= \$400.00

The following individuals may also bill under contract but such billings are limited to document review and research. The following will not be appointed SAAGs and therefore may not make appearances, provide direct legal advice to the client, and must work under the supervision of one of the SAAGs.

Josh Mosh	= \$350.00
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Kevin Aoun	= \$230.00
Michael Steinberger	= \$225.00
John Sheets	= \$220.00
Jennifer Paris (Legal Assistant)	= \$150.00

The State shall not pay for travel time, waiting time or other time not spent actively performing services under the Contract.

4.3 Reimbursement for Actual Expenses. Actual litigation costs (filing fees, depositions, and postage) may be reimbursed upon presentation to the Department and the Governor in accordance with the procedures provided in this Contract. Each SAAG will provide original copies of all receipts for meals, lodging and travel reimbursement with his billings. Allowed expenses shall be specifically and individually identified at the end of the bill, resulting in a total cumulative statement with attached original receipts. The Department and the Governor reserves the right to deny reimbursement of any expenses for which approval was not sought pursuant to this Contract.

The SAAG will be reimbursed for meals, lodging and travel expenses in accordance with the State of Michigan travel and other expense requirements, which can be found at [http://www.michigan.gov/dmb/0,1607,7-150-9141\\_13132---,00.html](http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html). The SAAGs acknowledge that they have reviewed the State travel rates posted on the website. All out-of-state travel requires the written approval of the Department and the Governor. Expenses exceeding State rates will not be reimbursed.

4.4 Registration. Barris, Sott, Denn & Driker, P.L.L.C., is required to register as a vendor and complete the electronic funds transfer (EFT) process, as the required method of payment under this Contract, through DTMB. The SAAG (vendor) and EFT registration must be completed through the DTMB Contract and Payment Express website at [www.cpexpress.state.mi.us](http://www.cpexpress.state.mi.us).

4.5 Billing and Payment Deadlines. All invoices shall be paid on a current basis, within 30 calendar days after receipt of satisfactory billing submission, unless the parties agree on another arrangement. The SAAG shall complete all work in fiscal year 2016 by September 30, 2016 and submit all payment requests no later than October 7, 2016. Any work performed in subsequent fiscal years shall be completed by September 30 of that fiscal year with payment requests submitted within 10 days of the end of said fiscal year.

## 5. REPRESENTATIONS

5.1 Qualifications. The SAAGs, by signing this Contract, attests that they are qualified to perform the services specified in this Contract and agrees to faithfully and diligently perform the services consistent with the standard of legal practice in the community.

5.2 Conflict of Interest. The SAAGs represent that they have conducted a conflicts check prior to entering into this Contract and have identified no professional conflicts that would prevent the firm from representing Governor Snyder, in his official capacity, in connection with the Flint cases. The results of the conflict check were detailed

in a February 9, 2016 from Mr. Driker to Special Legal Counsel Valerie Brader. The SAAG and Barris, Sott, Denn & Driker, P.L.L.C., shall not undertake the representation of a client if the representation of that client is related to the subject matter of this Contract or will be adverse to the State of Michigan, unless the SAAGs obtain prior written approval to do so from both the Governor and the Department. This provision does not prohibit a SAAG nor any member of Barris, Sott, Denn & Driker, P.L.L.C., from representing a client and engaging in litigation against the State of Michigan, its agencies or its employees so long as the litigation has no relation to the subject matter of this Contract.

With respect to potential conflicts of interest, other lawyers in the SAAGs' firm shall be advised of the SAAG's representation of the State of Michigan, and that the firm has agreed not to accept, without prior written approval from the Governor and the Department, any employment from other interests related to the subject matter of this Contract. Barris, Sott, Denn & Driker, P.L.L.C., shall carefully monitor any significant change in the assignments or clients of the firm in order to avoid any situation which might affect its ability to effectively render legal services to the State of Michigan.

5.3 Services to be Confidential. The SAAGs shall keep confidential all services and information, including records, reports, and estimates. The SAAGs shall not divulge any information to any person other than to authorized representatives of the Department and the Governor, except as required by testimony under oath in judicial proceedings, or as otherwise required by law. The SAAGs shall take all necessary steps to ensure that no member of their firm divulges any information concerning these services. This includes, but is not limited, to information maintained on the SAAGs' computer system.

All files and documents containing confidential information shall be filed in separate files maintained in the office of Barris, Sott, Denn & Driker, P.L.L.C., with access restricted to each SAAG and needed clerical personnel. All documents prepared on the Barris, Sott, Denn & Driker, P.L.L.C., computer system must be maintained in a separate library with access permitted only to each SAAG and needed clerical personnel.

5.4 Assignments and Subcontracting. The SAAGs shall not assign or subcontract any of the work or services to be performed under this Contract without the prior written approval of the Department.

5.5 Facilities and Personnel. The SAAGs have and will continue to have proper facilities and personnel to perform the services and work agreed to be performed.

5.6 Advertisement. The SAAGs, during the term of appointment and thereafter, must not advertise his position as a Special Assistant Attorney General to the public. The SAAG designation may be listed on a SAAG's resume or other professional biographical summary, including resumes or summaries that are furnished to professional societies, associations, or organizations. Any such designation by a SAAG must first be submitted to and approved by the Department.

5.7 Records. The SAAGs shall maintain complete billing records. This requirement applies to all information maintained or stored in the SAAGs' computer system. The records shall be kept in accordance with generally accepted accounting

practices and sound business practices. The Department, the Governor, or their designees, shall have the right to inspect all records of the SAAGs related to this Contract.

5.8 Non-Discrimination. The SAAGs, in the performance of this Contract, and the firm agree not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. This covenant is required by the Elliott-Larsen Civil Rights Act, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, MCL 37.1101 *et seq.*, and any breach of the Act may be regarded as a material breach of the Contract. The SAAGs agree to comply with the provisions of the Federal Civil Rights Act of 1964, 42 USC §2000d, in performing the services under this Contract.

5.9 Unfair Labor Practices. The State shall not award a contract or subcontract to any employer or any subcontractor, manufacturer or supplier of the employer, whose name appears on the Unfair Labor Practice register compiled under MCL 423.322. The State may void this Contract if after the award of the Contract, the name of the SAAGs or their law firm is added to the register compiled under MCL 423.322.

5.10 Compliance. The SAAGs' activities under this Contract are subject to applicable State and Federal laws and to the Rules of Professional Conduct applicable to members of the Michigan Bar Association.

5.11 Independent Contractor. The relationship of the SAAG to the Department and the Governor in this Contract is that of an independent contractor. No liability or benefits, such as workers compensation rights or liabilities, insurance rights or liabilities, or any other provisions or liabilities, arising out of or related to a contract for hire or employer/employee relationship, shall arise, accrue or be implied to either party or either party's agent, subcontractor or employee as a result of the performance of this Contract. The SAAGs and their law firm will be solely and entirely responsible for their acts and the acts of the Barris, Sott, Denn & Driker, P.L.L.C., agents and employees during the performance of this Contract. Notwithstanding the above, the relationship is subject to the requirements of the attorney-client privilege.

## 6. MANAGEMENT OF CASE(S)

6.1 Notifications. The SAAGs shall direct all notices, correspondence and inquiries, billing statements, pleadings and other documents mentioned in this Contract to the attention of the Department contact identified below, unless notified in writing of a change in contact.

For the Governor and his Executive Office:

Valerie Brader  
Executive Office of the Governor  
Legal Division  
George W. Romney Building

111 S. Capitol Ave., 4th Floor  
P.O. Box 30013  
Lansing, MI 48909

For the Department:

S. Peter Manning  
Division Chief  
Environment, Natural Resources,  
and Agriculture Division  
P.O. Box 30755  
Lansing, MI 48909  
(517) 373-7540  
[manningp@michigan.gov](mailto:manningp@michigan.gov)

For the SAAG:

Eugene Driker  
Barris, Sott, Denn & Driker, P.L.L.C.  
333 W Fort Street, Suite 1200  
Detroit, MI 48226-3202  
Phone: 313-965-9725  
Fax: 313-965-2493

6.2 The SAAG must promptly inform the Contacts in section 6.1 of the following developments as soon as they become known:

A. Favorable actions or events that enable meeting time schedules and/or goals sooner than anticipated.

B. Delays or adverse conditions that materially prevent, or may materially prevent, the meeting of the objectives of the services provided. A statement of any remedial action taken or contemplated by the SAAG must accompany this disclosure.

## 7. INDEMNIFICATION

The SAAGs agree to save harmless the State of Michigan, its elected officials, officers, agencies, boards, and employees against and from any and all liabilities, damages, penalties, claims, costs, charges and expenses (including, without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed upon, incurred by, or asserted against the State of Michigan for either of the following reasons:

A. Any malpractice, negligent or tortious act or omission attributable, in whole or in part, to the SAAGs or any of the firm's employees, consultants, subcontractors, assigns, agents, or any entities associated, affiliated, or subsidiary to the SAAGs now existing, or hereafter created, their agents and employees for whose acts any of them might be liable.

B. The SAAGs' failure to perform his obligation either expressed or implied by this Contract.

## 8. INSURANCE

8.1 Errors and Omissions. The SAAGs or their law firm shall maintain professional liability insurance sufficient in amount to provide coverage for any errors or omissions arising out of the performance of any of the professional services rendered pursuant to this Contract.

8.2 Certificates of Insurance. Certificates evidencing the purchase of insurance must be furnished to the Department, upon request. All certificates are to be prepared and submitted by the insurance provider and shall contain a provision indicating that the coverage(s) afforded under the policies will not be cancelled, materially changed, or not renewed without thirty (30) calendar days prior written notice, except for ten (10) calendar days for non-payment of premium, and any such notice of cancellation, material change, or non-renewal shall be promptly forwarded to the Department upon receipt.

8.3 Additional Insurance. If, during the term of this Contract changed conditions should, in the judgment of the Department, render inadequate the insurance limits the SAAGs will furnish, on demand, proof of additional coverage as may be required. All insurance required under this Contract shall be acquired at the expense of the SAAG or their law firm, under valid and enforceable policies, issued by insurers of recognized responsibility. The Department reserves the right to reject as unacceptable any insurer.

## 9. Not Applicable

## 10. TERMINATION OF CONTRACT AND APPOINTMENT

10.1 SAAG Termination. The SAAGs may terminate this Contract upon thirty (30) day's prior written notice (Notice of Termination). Upon delivery of such notice, the SAAGs shall continue all work and services until otherwise directed by the Department and the Governor. The SAAGs will be paid for actual services rendered prior to termination, and for actual services as may be directed. No payments under this section may exceed the budget ceiling amount established in paragraph 4.1 of this Contract.

10.2 Department Termination. The Department may terminate this Contract and SAAGs' appointment, at any time and without cause, by issuing a Notice of Termination to the SAAGs.

10.3 Termination Process and Work Product. Upon receipt of a Notice of Termination, and except as otherwise directed by the Department, the SAAGs shall:

- A. stop work under the Contract on the date and to the extent specified in the Notice of Termination;
- B. incur no costs beyond the date specified by the Notice of Termination;

- C. on the date the termination is effective, submit to the contacts in section 6.1 all records, reports, documents and pleadings, in addition to carrying out such directives as the contacts may issue concerning the safeguarding and disposition of files and property; and
- D. submit within thirty (30) calendar days a closing memorandum and final billing.

Upon termination of this Contract, all finished or unfinished original (or copies when originals are unavailable) documents, briefs, files, notes, or other materials (the "Work Product") prepared by the SAAG under this Contract, shall become the exclusive property of the Department, free from any claims on the part of the SAAG except as herein specifically provided. The Work Product shall promptly be delivered to the Department. The SAAG acknowledges that any intentional failure or delay on its part to deliver the Work Product to the Department will cause irreparable injury to the State of Michigan not adequately compensable in damages and for which the State of Michigan has no adequate remedy at law. The SAAG accordingly agrees that the Department may, in such event, seek injunctive relief in a court of competent jurisdiction. The Department shall have full and unrestricted use of the Work Product for the purpose of completing the services. In addition, each party will assist the other party in the orderly termination of the Contract.

The rights and remedies of either party provided by the Contract are in addition to any other rights and remedies provided by law or equity.

## 11. GENERAL PROVISIONS

11.1 Governing Law and Jurisdiction. This Contract shall be subject to and constructed according to the laws of the State of Michigan, and no action shall be commenced against the Department or the Attorney General, his designee, agents or employees for any matter whatsoever arising out of the Contract, in any courts other than the Michigan Court of Claims.

11.2 No Waiver. A party's failure to insist on the strict performance of this Contract shall not constitute waiver of any breach of the Contract.

11.3 Additional SAAGs. It is understood that during the term of this Contract, the Department may contract with other SAAGs providing the same or similar services.

11.4 Other Debts. The SAAGs agree that they are not, and will not become, in arrears on any contract, debt, or other obligation to the State of Michigan, including taxes.

11.5 Invalidity. If any provision of this Contract or its application to any persons or circumstances shall, to any extent, be judicially determined to be invalid or unenforceable, the remainder of this Contract shall not be affected thereby, and each provision of the Contract shall be valid and enforceable to the fullest extent permitted by law.

11.6 Headings. Contract section headings are for convenience only and shall not be used to interpret the scope or intent of this Contract.


11.7 Entire Agreement. This Contract represents the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties.



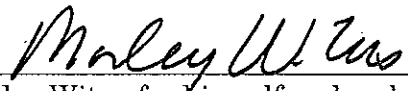
11.8 Amendment. No Contract amendment shall be effective and binding upon the parties unless it expressly makes reference to this Contract, is in writing, and is signed by duly authorized representatives of all parties and all the requisite State approvals are obtained.

11.9 Issuing Office. This Contract is issued by the Department, and is the only state office authorized to change the terms and conditions of this Contract.

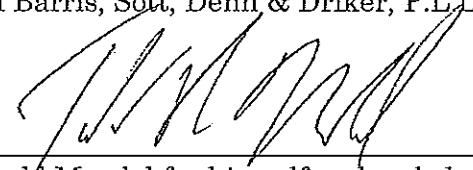
Dated: \_\_\_\_\_

  
Eugene Driker for himself and on behalf  
of Barris, Sott, Denn & Driker, P.L.L.C.


Dated: \_\_\_\_\_

  
Morley Witus for himself and on behalf  
of Barris, Sott, Denn & Driker, P.L.L.C.


Dated: \_\_\_\_\_

  
Todd Mendel for himself and on behalf  
of Barris, Sott, Denn & Driker, P.L.L.C.

Dated: \_\_\_\_\_

  
Rick Snyder, Governor of the State of  
Michigan  
or his Designee

Dated: \_\_\_\_\_

  
Michigan Department of Attorney  
General

February 22, 2016

**CONFIDENTIAL-ATTORNEY CLIENT PRIVILEGE**

Rick Snyder  
Governor of Michigan  
P.O. Box 30013  
Lansing, Michigan 48909

Re: **Engagement Letter**

Dear Mr. Snyder:

Thank you for selecting Warner Norcross & Judd LLP to represent you. We are pleased to have the opportunity to work with you. We commit to deliver high-quality, cost-effective legal services. This letter, including the attached General Terms and Conditions, sets forth the terms of our representation. If you have any questions about these terms, please contact me immediately.

**Scope of Engagement**

You have retained us to provide you with legal advice and representation related to any criminal investigations and prosecutions and related claims arising from the Flint water supply matter, including, but not limited to, investigations conducted by the United States Government or its agencies, Michigan Attorney General Bill Schuette's Special Counsel, and Genesee County. In this regard, we will work closely with Elizabeth Clement and Valerie Brader, who we understand both also advise you regarding legal matters. You have authorized us to both communicate with and take direction from Mmes. Clement and Brader in matters related to our engagement and representation of you. If you ever have questions about or wish to discuss our work, however, please feel free to contact me.

The scope of our engagement does not include representation of any other individual or any governmental entity.

**Payment of Our Fees and Costs**

Unless otherwise agreed in writing, we will base our fees on our recorded time spent on your matters and the billing rates of the professionals involved in the matters. As our billing rates are based on the assumption of prompt payment, you will generally be billed monthly and all invoices are payable upon receipt unless alternate arrangements have been made, in advance and in writing. At times we may be asked to respond to subpoenas, auditors, or other authorized requests for information about you or our work for you. Our bills will include time spent or costs incurred in responding to such requests. We will use a team of attorneys and paralegals to represent you in this matter. We will use a

blended hourly billing rate for this team as follows, which is in line with fees charged to the State in other matters:

Partners – \$415.  
Associates - \$285.  
Paralegals - \$180.

You agree to pay for all disbursements and other charges described in the attached General Terms and Conditions and incurred during the representation. Any fees paid on your behalf by a third party will be billed to you.

The fees and costs relating to legal matters often are not predictable. We have made no commitment to you concerning the maximum fees and costs that will be necessary to resolve or complete this matter. Any estimate of fees and costs that we may have discussed with you, including any budget that we may have prepared for a particular matter, represents only an estimate of such fees and costs based upon the limited facts known to us at the time of such estimate. It is also expressly understood that, unless we otherwise agree in writing and in advance, your obligation to pay our fees and costs is in no way contingent on the ultimate outcome of the matter. With that said, we understand that our fees for this engagement cannot exceed \$249,000. In the event that our fees approach that figure, we will notify you and discuss an amendment of this engagement or a new engagement. In the event that an agreed amendment of this engagement or a new engagement cannot be reached, you agree that we may withdraw as your counsel in this matter.

The Michigan Rules of Professional Conduct that govern our activities as lawyers prohibit us from accepting compensation for representing a client from one other than the client unless: (1) the client consents after consultation; (2) there is no interference with the lawyer's independence of professional judgment or with the client-lawyer relationship; and (3) the confidentiality of information relating to the representation is protected as required by the Michigan Rules of Professional Conduct.

We understand that the State of Michigan will be paying our fees and costs related to the representation described in this letter. Based on our understanding of the facts, in which the actions taken that are the subject of interest were done by you as Governor of the State of Michigan, we believe that the State of Michigan's payment of our fees and costs will not interfere with the independence of our professional judgment or with the client-lawyer relationship between you and us. We also believe that the State of Michigan's payment of our fees and costs will not interfere with the confidentiality of our communications or other information related to our representation as required by the Michigan Rules of Professional Conduct. By signing this letter, you acknowledge that you have had the opportunity to consult with legal counsel regarding this issue and consent to the State of Michigan paying our fees and costs.

We want to be certain that you are satisfied with and fully understand our billing procedures and invoices. Please call me with any questions you may have as soon as possible so I can address the concerns promptly.

**Counter-Signature**

Please confirm your approval of this letter agreement by signing in the space provided below and returning a copy to me at your earliest convenience.

We are honored by the confidence you have placed in us. We look forward to working with you on this matter. If you have any questions, please contact me.

Very truly yours,



Troy M. Cumings, Partner,  
On behalf of Warner Norcross & Judd LLP

**Acceptance**

By signing this letter, I agree and consent to the representation described above.

Dated: February 23, 2016



Rick Snyder, Governor of Michigan



## **WARNER NORCROSS & JUDD LLP**

### **Disbursements and Other Charges**

Unless otherwise agreed in writing between you and us, the general terms and conditions set forth below will govern our relationship.

#### **Representation of an Entity**

Our representation of an entity (e.g., a corporation, limited liability company, or partnership) does not include representation of the entity's individual shareholders, members, partners, directors, officers, managers, employees, parents, subsidiaries or affiliates and our professional responsibilities are owed only to the entity as the client. Likewise, our representation of an entity does not give rise to a lawyer-client relationship between our firm and any of that entity's affiliates or representatives. For this reason, our representation of an entity will not give rise to any conflict of interest in the event other clients of the firm are adverse to any of an entity's affiliates or representatives in an unrelated matter.

#### **Client Service Manager**

We designate a client service manager for each client to facilitate such communication. Generally, your client service manager will be the person who signs your initial engagement letter with the firm. We invite you to contact your client service manager at any time with questions you may have about the services we are providing or if you are unhappy with any interaction you are having or have had with us. If your client service manager is unavailable, or if you are uncomfortable speaking to your client service manager about any matter, we invite you to call our Managing Partner at (616) 752-2000.

#### **Certain Firm and Client Responsibilities**

We agree to do the following: 1) provide legal services in accordance with these general terms and conditions, and any specific terms set forth in a separate letter, in reliance on information and guidance provided by you; and 2) keep you reasonably informed about the status and progress of the matter(s) we are handling for you. To enable us to provide effective representation, you agree to do the following: 1) disclose to us, fully, accurately and on a timely basis, the names of all other parties who may be or become involved with the matter(s), and all facts and documents that may be material to our representation or that we may request; 2) keep us apprised on a timely basis of all developments relating to the matter(s) we are handling for you; 3) attend meetings, conferences, and other proceedings when necessary; and 4) otherwise cooperate fully with us. With respect to invoices, you agree to promptly review our invoices and contact us within 10 business days of receipt with any questions. If you do not contact us within that time frame, it is our understanding with you that you are satisfied with the invoice and that it will be promptly paid.

#### **Document Retention**

We will maintain all documents throughout the period in which we are actively handling a particular matter, and for a reasonable period thereafter, in accordance with our firm's document retention policy. We reserve the right to dispose of documents retained by us in accordance with that policy, as it may be amended from time-to-time. Prior to disposing of any documents relating to any matter(s) in which we represent you, we will undertake reasonable steps to notify you and provide you an opportunity to keep or obtain copies of those documents at our actual cost of preparing, reviewing and transmitting the documents to you. Further, you may request documents you have provided us any time prior to their disposition and they will be promptly returned to you once all outstanding balances are paid in full. You acknowledge that we will not be required to retain documents in accordance with any other document retention, electronic security or other policy.

#### **Internal Conferences, Meetings or Proceedings**

From time-to-time, internal conferences, meetings or other proceedings will take place among our personnel, and two or more representatives of the firm may be needed to attend meetings or proceedings on your behalf. It is our experience that this practice facilitates communication, improves the quality of our work by allowing us to use specialists and the appropriate mix of personnel, and ultimately provides you with the most efficient legal services. If, at any time, you are concerned about the efficiency or cost-effectiveness of our services, please let us know so that we may address your concerns in a timely fashion.

#### **Attorney-Client Privilege**

An important feature of the client relationship is the attorney-client privilege which is designed to facilitate candid and full discussion of matters. The attorney-client privilege protects most confidential communications between us from compulsory disclosure to

third parties. You should keep in mind, however, that this important safeguard may be lost as to a given matter if you disclose or authorize disclosure of any privileged information about that matter to any third party.

### **Email Communications**

In the course of our representation, we will likely communicate with you or others on your matter by electronic mail. Such communications will generally not be encrypted unless you request that we make other arrangements. We will direct our email communications to you at the address(es) you provide. You should use caution, however, in selecting the email address(es) you use to communicate with us. Whether and to what extent you can expect your email to be private may depend upon the policies of the provider of the email address you select. For example, if you use an email address or communications equipment that has been provided to you by your employer, your employer may have rights to monitor or review such communications. This may be particularly true for emails sent to and from regulated entities, such as broker-dealers and investment advisers, which may be monitored and archived for regulatory compliance purposes. Likewise, if you use a public computer to send or receive email, those communications may not be entirely secure. To ensure the security and confidentiality of our electronic communications, you may wish to establish a new, secure email account for that purpose.

### **Termination and Withdrawal**

You may terminate our representation in full or with respect to specified matters at any time by notifying us in writing. If you terminate our representation, you agree to pay fees for all services rendered and costs incurred through the date you notify us of your termination, and for our actual costs (including time and materials) of transferring some or all of your documents (whether in physical or electronic form) to another attorney or to you. At your request and subject to the document retention provisions above, your documents will be promptly returned to you or transferred once all outstanding balances are paid in full.

We reserve the right to withdraw from representing you at any time, after giving reasonable notice to you so that you may secure substitute counsel (if applicable), obtaining the approval of any court or tribunal in which we are counsel of record as your attorneys (if applicable), or otherwise attempting to take reasonable steps to minimize any prejudice which you may suffer by our withdrawal. The circumstances which may give rise to our exercising our right to withdraw include, but are not limited to, the following:

- (a) If we determine, in our sole discretion, that the positions you intend for us to assert lack factual or legal merit;
- (b) If you fail to cooperate fully in the work necessary to protect your interests;
- (c) If you breach this agreement by nonpayment of our fees or costs that you have agreed to pay; or
- (d) If we cannot or should not in our opinion proceed with the representation.

Notwithstanding the foregoing, we are obligated to act in a manner consistent with the Michigan Rules of Professional Conduct in withdrawing from our representation of you.

If we elect to withdraw, you agree to take all steps necessary to complete our withdrawal. In addition, you agree to pay all outstanding balances owed this firm no later than thirty (30) days after receiving our final invoice.

### **Conclusion of Relationship**

We hope that we have a long-term relationship with every client. Unless we otherwise agree in writing, please be advised that if we do not receive additional assignments within ninety (90) days after completing the last matter handled for you, we will consider our attorney-client relationship to have been terminated on the date of our last time entry for that final matter. If you later retain us to perform further or additional services, the attorney-client relationship will recommence under the terms of this letter, subject to any modifications we communicate to you in writing. The fact that we may inform you from time-to-time of developments in the law which may be of interest to you should not be understood as a recommencement or continuation of an attorney-client relationship. We undertake no obligation to inform you of such developments in the law unless you have engaged us in writing to do so. Our consenting to be a party notified under agreements or other instruments shall not, standing alone, continue the attorney-client relationship beyond the term set forth in this letter.

### **Confidentiality of Health Information (HIPAA)**

If our representation of you requires us to receive and use health information that is protected by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), we will protect this information as required of business associates under the HIPAA privacy



standards. Our commitment to you is set forth in the form of our Business Associate Agreement, which is attached to these terms and conditions. We agree to be bound by the terms of the Business Associate Agreement, which may be amended from time-to-time.

#### **Disbursements**

Funds disbursed on your behalf for items such as filing fees, travel expense, printing, and witness fees are charged at our cost without markup or service charge. We ask clients to pay large items directly. If we advance large sums, we request immediate reimbursement. Commercial air travel will be in coach class (if available) unless other arrangements have been approved by the client. Meal and lodging expenses will be reasonable in amount.

#### **Other Charges**

**Photocopy.** Our normal photocopy charge is \$.15 per page. Large jobs (more than 100 pages) run in our copy center will be charged \$.10 per page. The charge for copies from the Color Copier is \$1.00 per page. At the client's request, large copy projects may be sent to outside vendors, in which case we cannot assure quality, confidentiality, or timeliness. If a project requires special handling (for example, the assembly, marking, and sequential numbering of trial exhibits), we may charge for necessary clerical services at the rate of \$20 per hour.

**Telephone Charges.** International calls and conference calls utilizing the firm's conference call numbers or alternate call numbers may be charged at our cost.

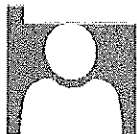
**Mail and Parcel Delivery.** We do not charge for postage for single pieces of letter-size domestic correspondence sent through the U.S. Postal Service. We charge for postage at our cost for international mailings and, regardless of destination, for packages and large envelopes and for mailings of multiple copies of letter-size correspondence to different destinations. If we use expedited or air courier delivery, we charge for the expense at our cost. We do not charge for hand deliveries of envelopes or small packages on regularly scheduled errand rounds near our offices. Other messenger deliveries are charged at \$15 per package (in the metropolitan Grand Rapids, Muskegon, Holland, or Southfield areas) or \$20 per messenger hour, plus mileage, for other destinations.

**Secretarial and Word Processing Services.** We do not charge for ordinary secretarial and word processing services incidental to our provision of legal services. Special services, such as overtime required to meet client needs, special document preparation, and desktop publishing, are charged at \$35 per hour.

**Computerized Research.** We charge for use of certain computerized research services (Westlaw and others) at a rate which is a discount from the vendor's standard rates, but which allows us to recover our overall costs of using computerized research services.

**Mileage.** We charge clients for use by our personnel of their personal automobiles for out-of-town travel on client business at the mileage rate allowed by the Internal Revenue Service for federal income tax deduction.

## Fwd: Flint water background information



Brown, Frank Add to contacts 10/03/15 Photos

To: bairdr@michigan.gov,

1 attachment (107.2 KB)

Outlook.com Active View

[Download as zip](#) [Save to OneDrive](#)

Hi. Hope this was helpful. Have a good weekend.

Frank

Sent from my iPad

Begin forwarded message:

From: <

&gt;

Date: October 3, 2015 at 9:40:29 AM EDT

To:

Subject: RE: Flint water background information

Frank: Just wanted to circle back on the action taken by the Home Depot Team. Our team connected with Richard Baird and received direction on the greatest need. As a result, we took the following action;

1. Donated 10 pallets of water for the Flint schools
2. Donated 8 pallets for the police and fire departments (we believe they will distribute to families)
3. We facilitated the purchase of water filters by the Red Cross (\$80,000) with our supplier

In addition we are lowering our pricing on water and filters in the market to assist customers with purchase. Our district manager also conducted a training session on how to install/use the filters



## Baird, Richard (GOV)

---

**From:** Rich Baird <  
**Sent:** Wednesday, March 09, 2016 1:31 PM  
**To:** Baird, Richard (GOV)  
**Subject:** RE: Flint water background information

> Subject: Fwd: Flint water background information

> From: l

> To: bairdr@michigan.gov;

> Date: Sat, 3 Oct 2015 13:49:47 +0000

>

> Hi. Hope this was helpful. Have a good weekend.

>

> Frank

>

> Sent from my iPad

>

> Begin forwarded message:

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> From: < >>

> Date: October 3, 2015 at 9:40:29 AM EDT

> To:

<

<

> Subject: RE: Flint water background information

>

> Frank: Just wanted to circle back on the action taken by the Home Depot Team. Our team connected with Richard Baird and received direction on the greatest need. As a result, we took the following action;

>

> 1. Donated 10 pallets of water for the Flint schools

> 2. Donated 8 pallets for the police and fire departments (we believe they will distribute to families)

> 3. We facilitated the purchase of water filters by the Red Cross (\$80,000) with our supplier

>

> In addition we are lowering our pricing on water and filters in the market to assist customers with purchase. Our district manager also conducted a training session on how to install/use the filters which will be shared with residents.

>

> We will stay in contact with Rich and the Mayor's office if additional needs arise.

>

> Craig

>

>

>

>

'> -----Original Message-----

> From: Brown, Frank [mailto:frank.brown@michigan.gov]  
> Sent: Wednesday, September 30, 2015 10:48 AM  
> To: [mailto:frank.brown@michigan.gov]  
> Subject: Fwd: Flint water background information

> Hi all. See below. My friend Rich is chief of staff for Governor Snyder. If we are interested in trying to help with this problem, please let me know and I will make the connection. Thanks a lot.

> Frank

> Sent from my iPad

> Begin forwarded message:

> From: "Baird, Richard (GOV)"  
<bairdr@michigan.gov<mailto:bairdr@michigan.gov><mailto:bairdr@michigan.gov>>  
> Date: September 30, 2015 at 3:34:15 PM GMT+1  
> To: "Frank Brown"

> Cc: "Hollins, Harvey (GOV)"  
<hollinsh@michigan.gov<mailto:hollinsh@michigan.gov><mailto:hollinsh@michigan.gov>>  
> Subject: FW: Flint water background information

> Frank:

> We have a situation in Flint, Michigan that is beginning to get national attention and could be an opportunity for Home Depot. 18 months ago, Flint switched its water supply from Detroit Water (the distance and pumping costs of going uphill made it quite expensive) to the Flint River as a temporary answer, until they could finish the construction to get their water from Lake Huron (Karaagondi Water System). The corrosive attributes of the River water have exacerbated the lead deposit leaching into homeowner pipes and there is concern around lead poisoning, especially for infants.

> The corporate community is rallying to address the problem. Meijer donated 1500 water filters to low income residents and GM is about to announce a donation of between 5,000 and 10,000 filters. I do not yet know where GM is getting the filters from, but I was thinking that Home Depot might want to join the effort with a donation, supply chain discounting assistance, or some combination of activity that could help Flint residents. Harvey Hollins is our point person for this effort, since he is the Director of Urban Initiatives for Governor Snyder. I have copied him here.

> If you could get this into the hands of the right people and see if there is interest in speaking with Harvey, I would be very appreciative. Thanks and take care.

> Regards,

> Rich



New Reply Delete Arch

Rich Baird



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## Fwd: Flint water

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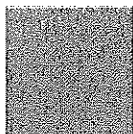
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Andy Dillon (adillon@conwaymackenzie.com) Add to contacts 11/20/15

To: Richard Baird

Parts of this message have been blocked for your safety.

Show content | I trust adillon@conwaymackenzie.com. Always show content.

Will send in around 3. Its my preliminary draft.

**Andy Dillon**

Conway MacKenzie Inc.

401 S. Old Woodward Avenue, Suite 340, Birmingham, MI 48009

248.952.8868 (office) | (cell) | 248.433.3143 (fax)

[adillon@conwaymackenzie.com](mailto:adillon@conwaymackenzie.com)

----- Forwarded message -----

From: **Andy Dillon** <[adillon@conwaymackenzie.com](mailto:adillon@conwaymackenzie.com)>

Date: Fri, Nov 20, 2015 at 10:50 AM

Subject: Re: Flint water

To: Andy Dillon <[adillon@conwaymackenzie.com](mailto:adillon@conwaymackenzie.com)>, Kelly Rossman-McKinney  
<[krossman@truscottrossman.com](mailto:krossman@truscottrossman.com)>

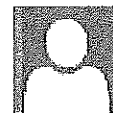
Draft response

I am providing my the comments below based on my memory of events that transpired over two years ago. I have not reviewed the reports, emails, memos relating to these

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Rich Baird



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Rich Baird 11/20/15

To: Jim Redford

*Sent from my Verizon Wireless 4G LTE DROID*

----- Forwarded message -----

From: Andy Dillon <[adillon@conwaymackenzie.com](mailto:adillon@conwaymackenzie.com)>

Date: Nov 20, 2015 10:53 AM

Subject: Fwd: Flint water

To: Richard Baird &lt;

Cc:

Will send in around 3. Its my preliminary draft.

**Andy Dillon**

Conway MacKenzie Inc.

401 S. Old Woodward Avenue, Suite 340, Birmingham, MI 48009

248.952.8868 (office) | (cell) | 248.433.3143 (fax)

[adillon@conwaymackenzie.com](mailto:adillon@conwaymackenzie.com)

----- Forwarded message -----

From: **Andy Dillon** <[adillon@conwaymackenzie.com](mailto:adillon@conwaymackenzie.com)>

Date: Fri, Nov 20, 2015 at 10:50 AM

Subject: Re: Flint water

To: Andy Dillon <[adillon@conwaymackenzie.com](mailto:adillon@conwaymackenzie.com)>, Kelly Rossman-McKinney <[krossman@truscottrossman.com](mailto:krossman@truscottrossman.com)>

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Rich Baird



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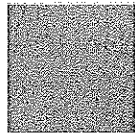
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Andy Dillon (adillon@conwaymackenzie.com) Add to contacts 11/20/15

To: Andy Dillon, Kelly Rossman-McKinney

Parts of this message have been blocked for your safety.

Show content | I trust adillon@conwaymackenzie.com. Always show content.

Draft response (I added some health and safety comments to the prior version)

I am providing my the comments below based on my memory of events that transpired over two years ago. I have not reviewed the reports, emails, memos relating to these events and my recollections would likely change after refreshing my memory with the relevant documents.

First, it is important to understand Flint's decision to join the KWA was a separate and distinct decision from using the Flint River. After we signed off on Flint joining the KWA, Flint was to negotiate with the DWSD regarding using their water during the construction of the KWA. If they were unable to negotiate a fair deal, I recall their back up plan was to use the Flint River. I don't recall Treasury being involved in the negotiations with DWSD or being advised that the negotiations broke down and Flint switched to the Flint River. I don't recall any discussions that suggested there would be a safety risk associated with the decision to join the KWA. Again, because using the Flint River was not before Treasury whether there were health and safety issues associated with that decision was not before Treasury.

Treasury held two and possibly three lengthy meetings to go over the Tucker Young report with the DEQ. The DEQ didn't agree with TY's report and identified several flaws in their assumptions which TY was unable to refute. The reason for the multiple meetings was to make sure our siding with the DEQ over TY was the correct decision. The reports were dependent upon engineering/construction related issues which were not the forte of Treasury so we relied on the advice and counsel of both TY and DEQ where the appropriate expertise resided to assist us in making this decision.

TY's largest customer was the DWSD and DWSD did not like the KWA project. We didn't assume that factored into the TY findings but it was on our radar. We didn't believe the DEQ had any agenda so their conclusion together with TY's reliance on some flawed assumptions, led us to side w/ the DEQ's opinion. The flawed assumptions related as best I can recall on redundancy requirements that TY assumed the DEQ would demand which the DEQ said would not be required. Once eliminated, the TY reports findings were undermined.

I recall Treasury needed to approve the EM's decision to join the KWA (again not to approve Flint using the Flint River).

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Rich Baird



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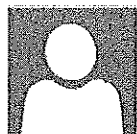
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Posthumus, Dick (GOV) (Posthumusd@michigan.gov) Add to contacts 12/0

To: Agen, Jarrod (GOV), Rich Baird, Hollins, Harvey (GOV), Muchmore, Denni...

I know just enough about the Flint situation to be dangerous so if the following doesn't make sense let me know. I have talked to both Senator Ananich and Representative Neely. They like the Governor and appreciate his efforts in Flint. However, they believe because of the combination of the water issue, the "take over" issue, and the approach that Darnell and/or the city manager is taking that it has created a great deal of animosity in Flint. I asked Rep. Neely if the Governor could only do one thing what would you have him do to improve the situation. He said to give the new mayor the ability to appoint some of her own executive staff (legal counsel, etc) that aren't involved with the finances (much like we did in Detroit). Is this something we should consider?

Dick

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Rich Baird



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Agen, Jarrod (GOV) (AgenJ@michigan.gov) Add to contacts 12/03/15

To: Muchmore, Dennis (GOV) Cc: Posthumus, Dick (GOV), Agen, Jarrod (GOV)

Dick,

Yes, totally agree. Harvey & Wayne have already made some good headway on this topic. They've been working to free up the flexibility for the new Mayor to appoint some of her own senior staff.

The new Mayor was also in here today to meet with MSP and DEQ -- so Harvey might be able to share more on the progress.

On Dec 3, 2015, at 4:44 PM, Muchmore, Dennis (GOV)  
<muchmored@michigan.gov<mailto:muchmored@michigan.gov>> wrote:

Absolutely. I think that is Jarrod's recommendation to the Gov also but he'll have to confirm that. It's worth noting that Wayne Workman met with Natasha Henderson (the city manager we put in and a less than stellar choice) and told her that she needs to find an accommodation with the Mayor or she's out. By the way, Wayne Workman announced his retirement yesterday effective Feb. 1, so the guy who is the most knowledgeable and most talented Treasury bureaucrat we have (alongside of whizbang Tom Saxton) is quitting. That is a heck of a hole to fill, so we need to encourage Tom to stay (he's wavering).

From: Posthumus, Dick (GOV)

Sent: Thursday, December 3, 2015 4:17 PM

To: Agen, Jarrod (GOV) <AgenJ@michigan.gov<mailto:AgenJ@michigan.gov>>;  
Rich Baird <mailto:richbaird@michigan.gov>; Hollins,  
Harvey (GOV) <hollinsh@michigan.gov<mailto:hollinsh@michigan.gov>>;  
Muchmore, Dennis (GOV)

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Rich Baird



## DRAFT: Flint communications plan

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Meegan Holland (

[Add to contacts](#)

12/23/15

Dr

To: Richard Baird,

1 attachment (19.4 KB)

[Outlook.com Active View](#)

DRAFT Flint water c...

[Download as zip](#) [Save to OneDrive](#)

Rich and Jarrod,

Here is a communications plan to carry us through the next several days.

Jarrod, Rich and I have gone over this and tweaked it. I would have sent you the original version but just now got your personal email. For now, we prefer to keep this plan offline. Please read this soon, because it kicks in tomorrow, as you'll see!

Let me know if you have any questions. And Rich, I hope I incorporated all your suggestions.

- Meegan

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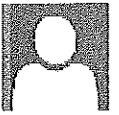
Meegan Holland

Mobile:

Twitter: @meholland

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Rich Baird



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## Re: DRAFT: Flint communications plan

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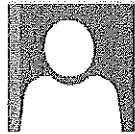
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Rich Baird 12/23/15

To: Meegan Holland Cc: Jarrod Agen

Excellent, Meegan. Jarrod, if you approve, we should get this in RDS hands asap. Also i asked for a call with RDS for tomorrow with Harvey. Scheduled for 11 am eastern if you/Meegan wish to join.

Rich

*Sent from my Verizon Wireless 4G LTE DROID*

On Dec 23, 2015 9:05 PM, Meegan Holland &lt;

&gt; wrote:

Rich and Jarrod,

Here is a communications plan to carry us through the next several days.

Jarrod, Rich and I have gone over this and tweaked it. I would have sent you the original version but just now got your personal email. For now, we prefer to keep this plan offline. Please read this soon, because it kicks in tomorrow, as you'll see!

Let me know if you have any questions. And Rich, I hope I incorporated all your suggestions.

- Meegan

--

Meegan Holland

Mobile:

Twitter: @meholland

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Rich Baird



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## Re: DRAFT: Flint communications plan

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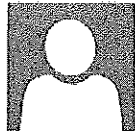
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Jarrod Agen Add to contacts 12/23/15

To: Rich Baird Cc: Meegan Holland

Thank you both for the late night effort on this.

Few thoughts:

1) I'm all for the Governor talking to Mayor Weaver. However, I think we'll want the following information prior to calling the mayor:

- He'll need the Auditor General report and a summary before calling her.
- He'll need the "ideas on how to get more resources for blood level testing"

2) I agree we need a new "water comms team" and I think Ron Leix is a great fit. Mel Brown is in the middle of major efforts at TED and I'd much prefer someone with more subject matter expertise (or close association to Flint) to fill that other comms role.

3) We need senior staff (like Harvey, Walsh, Dick, and Redford) to take a close look at that Dec 29 statement. Make sure this is marked as draft suggested talking points still to be reviewed at the staff level. However, we want to make sure the Governor is comfortable with this general direction.

4) Yes, I would very much like to join the 11am call tomorrow. I would suggest Meegan joins as well.

5) We should use our official email accounts for this. This is state business. We are doing the right thing. I don't ever want to give the appearance that this group is trying to NOT be transparent by using personal accounts.

On Wed, Dec 23, 2015 at 11:06 PM, Rich Baird ·

· wrote:

Excellent, Meegan. Jarrod, if you approve, we should get this in RDS hands asap. Also i asked for a call with RDS for tomorrow with Harvey. Scheduled for 11 am eastern if you/Meegan wish to join.